CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-FOURTH PARLIAMENT

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HOUSE OF COMMONS

Tuesday, July 26, 1960

The house met at 11 a.m.

VACANCIES

Mr. Speaker: I have the honour to inform the house that consequent upon the notification of vacancies in the representation given in this house on Monday, July 25, 1960 by the hon. member for Welland and by the hon. member for Ottawa West, and pursuant to section 10 of the House of Commons Act, I have addressed my warrants to the chief electoral officer for the issue of new writs for the election of members in the electoral districts of Niagara Falls and Peterborough.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Acting Prime Minister and ask him when the government is going to make arrangements for representation of the constituency of Labelle, which has been without a representative in this house for upwards of six months?

Hon. Howard C. Green (Secretary of State of External Affairs): Mr. Speaker, it is very interesting to see the great interest being taken by the opposition in these by-elections. Perhaps they might be wise not to be so enthusiastic about them. Action will be taken in due course.

GRAIN

WHEAT BOARD REGULATIONS RESPECTING DELIVERIES TO FEED MILLS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Could the minister inform the house whether the Canadian wheat board will continue to enforce grain delivery quotas beginning in the new crop year as they apply to feed mills? In other words, will the past policy be continued by the wheat board rather than the policy contained in the report of the committee?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I will discuss this matter with the wheat board and give the hon. member an answer with regard to to it later.

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LABOUR CONDITIONS

VANCOUVER, B.C.—STATEMENT AS TO WORK PERMITS FOR U.S. PAINTERS

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, on July 22 the hon. member for Vancouver East asked me a question regarding the importation of painters from the United States to do painting at the Vancouver General hospital for Rust Engineering Company. I have made an investigation and the report is as follows.

A foreman and two men were brought in from the United States to do a repairing and cleaning job on the smoke stack of the Vancouver General hospital. They were given work permits on the assurance of the national employment service in Vancouver that no local workmen were available who were qualified to do high stack repair and maintenance work.

When they had finished the Vancouver job they were sent to Port Alberni to do a similar job for MacMillan and Bloedel. This job, in addition to cleaning a 200-foot smoke stack, involved priming with mastic. The national employment service was able to establish that the latter part of the work, that is the painting, could be performed by local workers. Therefore the two United States workmen on the job have now been replaced by Canadians on a trial basis, and if satisfactory they will be retained. The men were originally brought in by Rust Engineering Company to do repair and maintenance. Painting is part of the job. I am informed that the two painters have been instructed to leave the country.

UNITED NATIONS

CONGO—REPORTED FIRING ON R.C.A.F. PLANE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to address a question to the Minister of National Defence. Is the minister in a position to confirm or deny the Canadian Press report to the effect that a Royal Canadian Air Force plane was fired on as it flew over Buta airport in northern Congo?

Hon. G. R. Pearkes (Minister of National Defence): Yes, Mr. Speaker, I heard this rumour last night and I immediately got in

touch with the R.C.A.F. at Leopoldville. I am informed this morning that no such incident occurred. No R.C.A.F. plane has been fired upon; no R.C.A.F. personnel have been fired upon; no R.C.A.F. plane was in the Buta district yesterday. The R.C.A.F. are employed now on the ferrying of supplies and equipment to the United Nations force between Pisa and Leopoldville.

DISARMAMENT—REPORTED SOVIET REQUEST FOR BREAK IN DEADLOCK

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs. Has the minister's attention been drawn to the report in this morning's *Gazette* under a London dateline to the effect that Soviet Premier Khruschchev has suggested to Britain and Canada that the next session of the United Nations general assembly should try to break the east-west deadlock on disarmament? I should like to ask the minister whether any official letter has been received, and whether he has any comment to make on the suggestion.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, a letter has been received from Premier Khrushchev which is a reply to the reply which had been sent to his first letter by our Prime Minister.

CONGO—REPORTED NEED FOR MEDICAL ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs based on a news report in yesterday's *Globe and Mail* which states:

> U.N. officials said the health problem throughout the Congo had become extremely grave. They said there was urgent need for 200 physicians. Nearly all Belgian physicians have left the country.

I should like to ask the minister whether consideration is being given to doing what we can in co-operation with the doctors in order to meet this very urgent problem?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in response to a request from the secretary general of the United Nations through the world health organization and the international committee of the Red Cross, the Red Cross societies of a number of countries have agreed to supply medical teams to provide medical attention for civilians in hospitals where the staff has been depleted by the departure of the Europeans. The Canadian Red Cross is preparing to send two teams, each consisting of one surgeon, one physician skilled in tropical diseases and three nurses. All will be bilingual. It is expected that these teams will remain for three months and that they will be ready to leave for the Congo before the end of this week.

I am sure all members of the house will join me in commending the Canadian Red Cross and its officers for the prompt and efficient manner in which they have responded to this request for assistance.

CONGO—SECONDING OF CANADIAN OFFICERS TO UNEF

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I should like to inform the house that in response to a request from the secretary general of the United Nations and in accordance with the recommendation of the commander of the United Nations emergency force in Palestine, the government has approved that four Canadian army officers, now serving with UNEF, be seconded to the United Nations force in the Congo for service at General Von Horne's headquarters. Two of these officers, Captain E. R. Shred and Captain D. M. Youngston, are specialists in movement control. The other two, Captain J. E. Clark and Captain B. P. J. Glow, are specialists in equipment and transport respectively.

These four officers from UNEF have all volunteered. They are in addition to, and in a different category from, the five Canadian officers requested earlier from UNTSO, whose service in the Congo is part of the technical assistance program which the secretary general is implementing in order to reorganize the security forces there.

The four Canadians from UNEF were required as soon as possible, and I understand that early this morning they left Cairo for Leopoldville. They will serve with General Von Horne until alternative arrangements can be made. Similar requests have been made for Danish, Indian and Norwegian officers in UNEF and the response from the governments concerned has been favourable.

Hon. Paul Martin (Essex East): May I ask a supplementary question. Is this the extent of the Canadian contribution up to the present? Further, may I ask if the minister has anything to say about the announcement made yesterday at the United Nations by the prime minister of the Congo, that he proposes to visit Canada seeking technical assistance, particularly among people who speak the French language?

Mr. Green: From time to time Mr. Speaker, there have been announcements in the house

as to the Canadians who have been sent to the Congo, including these men from UNEF, and also men from the R.C.A.F., as well as to the supplies that have been furnished. Yesterday I made a statement about the possibility of sending additional men from Canada.

In so far as the second part of the question is concerned, which dealt with the prime minister of the Congo, we have had no official word yet that he is coming to Canada or wishes to come. However, in view of the press reports, I have this morning instructed our permanent representative at the United Nations to communicate with the prime minister to ascertain what he has in mind.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. Has it been decided as a matter of government policy how many men and officers will be sent on this mission to the Congo, and of these how many will be bilingual?

Mr. Green: No, Mr. Speaker. I dealt with that the other day.

Mr. Chevrier: The minister dealt with a question from the Leader of the Opposition, but he did not deal with the decision of the government as to the number of troops that were going to be sent. He dealt with the question of whether or not the statement was true that 800 troops would be sent. The question I put to him now is whether, at this time, there has been a determination of the number that will be sent.

Mr. Green: No, I am not in a position to give any further details this morning.

LIVESTOCK

WELLINGTON COUNTY, ONT.—INQUIRY AS TO COMMENCEMENT OF BRUCELLOSIS TESTS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Agriculture. Can the minister advise me when the brucellosis test will commence in Wellington county and approximately how long it will take? Will the minister also comment on the general position of the brucellosis control area testing program on a national basis?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, with respect to Wellington county, a request for the gazetting of the county was received from the Ontario department of agriculture on January 15, 1960. The county was accepted for test and gazetted through ministerial order on February 10, 1960.

The department has arranged to commence the brucellosis testing of the cattle in Wellington county in September, this fall, with the expectation that the work will be completed prior to the cattle going to pasture in the spring of 1961.

With respect to the national position of the brucellosis control area program, since the commencement of the program in 1957 some 452 areas across Canada, with approximately 6,401,000 cattle have been accepted for test. One hundred and eighty of these areas, with 2,342,650 cattle have been completed. Of the 180 areas completed, 138 have been declared brucellosis certified. Testing is under way in an additional 144 areas. There are now approximately 3,720,000 cattle in Canada being dealt with under the brucellosis control area program. This represents 28 per cent of the total cattle population.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, in the absence of the Prime Minister, and realizing that the Minister of Labour is acquainted with this matter, can the Minister of Labour say whether the government has reached a decision on the request of the united automobile workers for a royal commission to be established to look into the automobile industry in Canada?

Hon. Michael Starr (Minister of Labour): This matter is under active consideration at the moment.

Mr. Argue: Can the minister give some indication when this royal commission may be appointed?

Mr. Starr: As soon as a decision is reached by the government a royal commission will be established, if that is the decision.

[*Later:*]

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Labour a question. In view of the reply given by the Prime Minister to my query last Thursday, as to when a royal commission to inquire into the automobile industry will be announced, can the Minister of Labour say whether the government has given consideration to any other form of inquiry into the industry?

Mr. Starr: The government always gives consideration to all forms of inquiry which may better whatever part of our country is concerned.

Inquiries of the Ministry

Mr. Chevrier: You have not been doing very much.

Mr. Martin (Essex East): Will there be an announcement one way or another before the end of the session?

Mr. Starr: As soon as a decision is reached an announcement will be made.

Mr. Martin (Essex East): That means there will not be anything done.

URANIUM CITY, SASK.—INQUIRY AS TO FEDERAL ASSISTANCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wish to direct a question to the Minister of Labour. Has the minister's parliamentary secretary yet reported to him on his trip to Uranium City, Saskatchewan, and his survey of the conditions there which he described as a small-sized Elliot Lake; and has the government decided as a result of this survey and the presentation made by the Saskatchewan government to take any action to relieve this situation?

Hon. Michael Starr (Minister of Labour): There was no necessity for the parliamentary secretary to report to me on this investigation. This matter was not taken up on behalf of the Department of Labour.

Mr. Argue: May I ask whether the government has agreed to take any action to relieve this situation as a result of the submission made to it in recent days by the government of Saskatchewan?

Mr. Starr: The matter is still under active consideration, and as the Minister of Trade and Commerce said on previous occasions in answer to questions similar to one the hon. member is asking now, an announcement of government policy will be made at the appropriate time.

Mr. Chevrier: It has been and will be forever and ever.

Hon. L. B. Pearson (Leader of the Opposition): Is the minister aware that the inquiry into this matter began last November.

Mr. Starr: I am well aware of it.

SHIPPING

GUYSBOROUGH COUNTY, N.S.—STATEMENT ON RESUMPTION OF SERVICE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Saturday last the hon. member for Antigonish-Guysborough asked me a question with regard to the resumption of service formerly carried out by the *C. and E. Burke*. It is expected that a contract will be signed for the balance of the season with the Co-operative de Transport Maritime et Aerien of Magdalen islands, using the M.V. *Flojald II* to carry out the Halifax-Guysborough service for the balance of the season.

It should be possible by using this vessel to initiate service with the new ship in approximately one week.

CANADIAN NATIONAL RAILWAYS

MONTREAL, QUE.—REPORT ON FATAL ACCIDENT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Laurier asked me a question regarding the Canadian National Railways line on which an unfortunate accident occurred over the week end. I am advised by Canadian National Ralways that there is no centralized traffic control in operation at present on the line where the accident occurred.

As to the second part of the hon. member's question, the management state that this line has been under study for some time as a candidate for C.T.C. installation, and that the study has progressed to a point that warranted inclusion of a commitment item in the 1960 capital budget of the railway.

AGRICULTURE

DEFICIENCY PAYMENTS—MEETINGS WITH WESTERN FARM ORGANIZATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Agriculture whether arrangements have yet been made to meet with the liaison committee of western grain producers?

Hon. D. S. Harkness (Minister of Agriculture): I have nothing further to add on this subject to what has been said previously in the house.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question of a different nature. Has the minister or the government replied to the communications from the farmers' union concerning negotiations on acreage payments, the first of which I believe came to the government on May 10? Has any reply whatever been given to those communications?

Mr. Harkness: I do not know to what communications the hon. member is referring, Mr. Speaker.

Mr. Argue: Telegrams and letters.

Mr. Harkness: As I say, I do not know to what communications he is referring, so I am in no position to answer the question. So far as I can recall at the moment, I have had no telegrams or letters from the Saskatchewan farmers' union in connection with this matter during the last month or six weeks.

Mr. Argue: May I ask a further supplementary question. In the absence of the Prime Minister, would the Minister of Agriculture make inquiries to ascertain whether or not three communications have been received from the Saskatchewan and interprovincial farmers' union council on this question, and ascertain why the government has not replied to them?

Hon. Paul Martin (Essex East): May I ask a supplementary question. Is the Minister of Agriculture aware that the Prime Minister acknowledged on June 9 that he had received a request from the western liaison committee for a meeting with the government, and promised a reply at a very early date?

Mr. Harkness: As I indicated on several occasions, and as the Prime Minister also indicated, we received on May 10, I think it was, a brief from the western liaison committee. The hon. member for Assiniboia asked about communications from the Saskatchewan farm union.

Mr. Argue: And the interprovincial farm union.

ADMINISTRATION OF JUSTICE

REPORTED CIRCULATION OF COUNTERFEIT BILLS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to ask the Minister of Justice whether he has any report to make following a question I asked on Saturday, while he was in Washington, with regard to counterfeit $10 bills which are freely circulating in many areas of this country. Is the minister in a position to let us know whether he has a report on this matter from his department, and what steps are being taken to protect the public?

Hon. E. D. Fulton (Minister of Justice): My parliamentary secretary, the hon. member for Saint John-Albert (Mr. Bell), brought the hon. member's question to my attention on my return. I am advised that the Royal Canadian Mounted Police were asked about this matter, but it was still under unvestigation, and they were not able to let me have a full report yet.

PUBLIC SERVICE

MONTREAL—COMPLAINT OF MEAT INSPECTORS WITH RESPECT TO OVERTIME PAY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Agriculture. I have not given him notice of this question, and I will have no objections if he takes it as such. I have received representations from meat inspectors in the city of Montreal who complain that while they have received increases in accordance with the recommendations of the civil service commission, none the less they have been required to work overtime for a considerable period of time and notwithstanding this fact—

Mr. Speaker: Order. I wonder whether the hon. member has risen in order to give information or to get it. If he has a question I suggest that he put it.

Mr. Chevrier: The question is urgent, Mr. Speaker, for the reasons I was about to give. The question must be prefaced by some information, otherwise I am afraid Your Honour would rule it out of order. However, I feel that, if Your Honour will allow me to do so, I should put the basis for the question. The basis is this. I think the overtime is paid by the packing houses to the Receiver General, and these men have not received pay for their overtime work for the last three months. Will the minister be good enough to inquire into the situation and let me know why this condition exists?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I have no knowledge as to whether the alleged information provided by the hon. member for Laurier is correct, but I shall be glad to inquire into the situation.

Mr. Chevrier: Thank you.

TRANSPORT

YARMOUTH-BAR HARBOR FERRY—PROPOSED STRIKE OF CREW AND PERSONNEL

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Transport. Is the minister in a position to advise the house what action is being taken by his department to prevent a proposed strike of crew and personnel on the Yarmouth-Bar Harbor ferry?

Hon. George H. Hees (Minister of Transport): This is a matter which comes under the jurisdiction of the Canadian National Railways. I have been in touch with the railways this morning asking them to give me a report on the matter. I have not as yet received one.

DEFENCE PRODUCTION

REPORTED FAILURE OF NEGOTIATIONS ON SALE OF PLANES TO U.S.

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Associate Minister

of National Defence. Is the minister in a position to answer the question of which he took notice last Saturday in respect to the alleged loss of the prospective sale of CL-44 cargo planes to the United States air force, owing to the unusual and unexplained delay of the Canadian government in reaching a decision with respect to re-equipping its air defence squadrons?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I believe this question was answered by the Secretary of State for External Affairs.

Mr. Hellyer: On a question of privilege, Mr. Speaker, may I say that the question was not answered by the Secretary of State for External Affairs, who just said he was not in a position to answer it. I thought perhaps the associate minister might be in a position to answer it this morning.

Mr. Green: The hon. member for Trinity was not here yesterday.

Mr. Hellyer: Yes, I was here.

Mr. Green: If he will refer to *Hansard* I think he will find that I answered that question.

[*Later:*]

Mr. Hellyer: I should like to direct a question to the Minister of External Affairs arising out of the reply he gave yesterday in answer to the hon. member for Assiniboia. Is the hon. gentleman yet in a position to report on the proposed sale to the United States of CL-44 cargo aircraft? Yesterday the minister was not in a position to make a report on this matter.

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker.

BUSINESS OF THE HOUSE

IMMIGRATION ACT—REQUEST FOR INTRODUCTION OF BILL THIS SESSION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Citizenship and Immigration, in view of the fact that the session is apt to go on for several weeks longer, whether she would consider introducing the bill to revamp the Immigration Act so that it could be studied between now and the next session.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I am afraid it is not ready to be introduced at the present time.

AIRPORTS

VANCOUVER—INQUIRY AS TO NEGOTIATIONS RESPECTING FEDERAL OPERATION

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): I wonder if the Minister of Transport has a report to make to the house regarding the meeting he had this morning with the mayor and members of the city council of Vancouver regarding negotiations leading to the taking over by the government of the Vancouver airport.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. The possibility of the transfer and sale of the city of Vancouver's investment in Vancouver airport to the Department of Transport was discussed today by a delegation representing Vancouver at a meeting with myself and departmental officials. Representing the city of Vancouver were Mayor A. T. Alsbury, Alderman Halford Wilson, chairman of the Vancouver airport board, and Alderman Reg. Atherton.

During the discussion, which Mayor Alsbury termed "most satisfactory", the Department of Transport agreed to undertake an appraisal of the city's interest in the airport, the appraisal to be made by the department's air services branch and an independent appraiser, the latter to be appointed with the approval of the city of Vancouver. The report of the appraisers is to be ready in September.

I have agreed to review the appraisers' report as soon as it is completed, at which time I shall be prepared to make a recommendation to the government as to the amount the department would pay to the city for the acquisition of the airport.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed, from Monday, July 25, consideration in committee of Bill No. C-58 to amend the Combines Investigation Act and the Criminal Code—Mr. Fulton—Mr. Flynn in the chair.

On clause 12—*Prohibitions.*

Mr. McIlraith: I should like to ask a question at this point for guidance. It has to do with the amendments proposed and adopted in the standing committee on banking and commerce to which this bill was referred. It will be noted that there are several amendments, and one has to do with clause 12. I therefore raise the point at this time.

I should like to ask the minister how he proposes to bring forward for adoption by this committee the amendments to certain clauses which were made in the banking and commerce committee, bearing in mind that we are dealing with a report of the standing committee which has not been adopted by the house. These amendments are not reprinted in the amended bill and it is, I think, desirable that they should be put forward at some early point in the consideration of the appropriate clauses so the committee may know exactly what it has to deal with. This is a small point, nevertheless I think it is one worthy of consideration.

Mr. Fulton: I agree it is desirable that the committee should have the fullest knowledge of the amendments reported by the banking and commerce committee. These amendments will be found in *Votes and Proceedings* for Tuesday, July 19, and that, of course was available yesterday when we started our consideration in this committee. My understanding of the practice being followed is that the chairman, when he comes to a clause on which the banking and commerce committee reported an amendment, says, "Shall the clause as amended by the banking and commerce committee carry?" That was done, I believe, in respect to clause 1. The present clause, I believe, is the next clause to which the banking and commerce committee made an amendment.

May I point out in addition that there is a reprint of Bill No. C-58 available today with the amendments made by the banking and commerce committee printed in the bill. I will make inquiries to see if it can now be distributed. However, as I say, all the amendments will be found in *Votes and Proceedings* for July 19.

Mr. Pickersgill: Is it not necessary, notwithstanding that they have been reported, to have them formally approved by the committee? This is not a big point, but it does raise an interesting question.

Mr. Fulton: The chairman has been adopting the practice of asking "Shall the clause as amended in the banking and commerce committee carry?" I should think that would be sufficient, but if hon. members wish, in addition, that I should have somebody move the adoption of the recommendations of the banking and commerce committee I shall be be glad to follow that course.

Mr. Caron: I believe it should be brought up in the house, because I have a copy of the new bill and it is marked "As passed by the House of Commons." The committee on banking and commerce is not the House of Commons, and I think it should come back to the house so we may take cognizance of the report of the committee.

Mr. Fulton: It is true that this does say "As passed by the House of Commons", but if the hon. member will look at the next line he will see that the date is left blank; he will see that that is in anticipation and, I hope, a fair one of the fact that the bill will be finally passed by the house.

Mr. McIlraith: Since the matter is not without importance, I thought it should properly be raised at this time. Speaking for myself, it is satisfactorily dealt with, but perhaps it would be helpful if when we come to clauses which have been amended by the committee some indication could be given when the clause is called.

Mr. Fulton: I am sure, Mr. Chairman, that you will help the committee, if I may put it that way, by trying to point out which clauses have been so amended, and I shall also try to inform the committee in case that is overlooked.

Mr. McIlraith: Then I wish to turn very briefly to the amendment proposed in the committee on banking and commerce to clause 12, having to do with appeal. Is the minister satisfied that this gives the right of appeal from all decisions of the courts, including the proceedings indicated in clause 19 of the bill?

Mr. Fulton: Yes, Mr. Chairman. I was just checking to make finally sure that this had been re-examined since the proceedings in the banking and commerce committee. We are satisfied that it covers all the appeals referred to by the hon. member.

Mr. Howard: As the minister indicated, there is a reprint, and perhaps the minor point I am raising with respect to renumbering the subclauses has been covered in the reprint. At the top of page 5 we find that the black figure 31 indicates that it will be section 31 of the act. Then we have subclause 1 immediately following that. In line 20 we start with subclause 2 and then in line 34 we have another subclause 2. This indicates to me that the bill contains two subclauses numbered 2. The last one is headed "Application". Should that not be subclause 3, or has this been straightened out?

Mr. Fulton: We are dealing here actually with clause 12 of the bill, which starts at the bottom of page 4.

Mr. Pickersgill: Line 45.

Mr. Fulton: Clause 12 is divided into two subclauses, subclause 1 and subclause 2. It

is subclause 1 which re-enacts section 31 of the act. All those provisions under the black 31 at the top of page 5 are part of subclause 1 of clause 12 of the bill. Having amended and re-enacted section 31 of the act, we then go on to subclause 2 of clause 12 of the bill which is the application subclause.

Mr. Howard: What will be the designation in the act?

Mr. Fulton: My understanding is that it will not occur in the combines act itself. It will stay in the amending bill.

Mr. Howard: Once it passes and is given royal assent it becomes an act. What will it be called?

Mr. Fulton: That act will be this bill as passed by the House of Commons. That will then be called an act to amend the Combines Investigation Act and the Criminal Code. In that act it will be subclause 2 of clause 12, or subsection 2 of section 12 of the act we are now passing. Subclause 1 of clause 12 amends section 31 of the present act. This subclause will stand on its own. It will be subsection 2 of section 12 of this act.

Mr. Pickersgill: Is the minister quite correct about that? If he will look at the bill very carefully—I do not think this is a very important point—he will see that the 1 and the 2 are after the 31 which is being put into the act that is being amended. It would seem to me, therefore, that both parts would appear in the consolidated statute.

Mr. Fulton: The question of consolidation is quite different from the one we were just discussing. The consolidation is merely an office consolidation. As the hon. member knows, it does not have the force of law. What happens here is that this act, when passed, will be an act to amend the Combines Investigation Act and the Criminal Code. It will be part of this year's statutes.

Mr. Pickersgill: Oh, I follow that perfectly.

Mr. Fulton: Clause 12, which will then be section 12, will have two subsections, subsection 1 amending section 31 of the present act—and subsection 1 will have three subsections, 1, 2, and 2(a)—and then having completed the amendment to section 31 of the bill, section 12 of the present act will go on as it now goes on in subsection 2 thereof at the bottom of page 6 of the reprint.

The Chairman: Shall clause 12 as amended by the banking and commerce committee be adopted?

Mr. Pickersgill: Before we proceed, Mr. Chairman, I wish to say a word to make clear that as I indicated last night, it is my intention to ask you to call the yeas and nays; not that we would wish to repeal this whole section of the act as it now stands, but of course if this amendment did not go through it would have the effect of merely leaving section 31 of the act as it is now, which we think is much better than the amendments suggested by the government.

We are doing this for one reason and one reason only, and that is to indicate clearly that the Liberal party stands for the view that there should not be two ways of dealing with the same crime in two different cases. We do not think it is proper for this parliament, having regard to natural justice and all our traditions with respect to the treatment of criminal law, to make a provision that in identical cases, even though the administration might never act, it would even be possible in one case to prosecute and in the other case to follow a civil procedure. That seems to us entirely repugnant to the notion of equal treatment for all our citizens for which we stand.

Mr. Aiken: Mr. Chairman, before this clause passes I should like to make a comment arising from the remarks made yesterday by the hon. member for Hull, who in referring to the various witnesses who appeared before the committee spoke in praise of the evidence given by Professor Cohen of McGill University. I just wanted to point out that with respect to section 31, with which we are now dealing, Professor Cohen was quite in accord with the proposal the government is advancing with respect to this section. At page 547 of the evidence in the banking and commerce committee Professor Cohen is reported as having said:

> In my second point, the problems of the new power under section 31—to restrain or dissolve before conviction, in my opinion, sir, this approach is all to the good. I will strongly support the use of the enjoining power here to restrain parties who are either going to engage in practices which are or are thought to be against the act, or to require them to dissolve situations that already have taken place.

I merely wanted to point out that in a number of situations Professor Cohen was in accord with the provisions of this bill, and this is one of them.

Mr. Caron: Mr. Chairman, it is a fact that yesterday I quoted that portion of Professor Cohen's evidence to which the hon. member has referred. If the hon. member had gone on a little further he would have seen this in the next to last paragraph. The last three lines read:

> I think this is all to the good, and I support it. However, I question whether or not the government will soon face problems of the constitutionality of this measure.

Therefore, even if Professor Cohen supported the idea behind it, he had his doubts as to the constitutionality of the measure, and this was what I wanted to bring forward.

Mr. Howard: I have one or two thoughts that I wish to express on this. It think we all recall that the Liberal party is the only party on record which, when it comes to the treatment of combines cases, favours two separate sets of circumstances; and the hiding of the flour report is a prime example of where they wanted to take steps which were contrary to the law in order to protect some favoured sons of theirs in the industrial world. The sort of argument put forward just makes one wonder whether we should believe them at all.

Mr. McIlraith: Mr. Chairman, just one point arising out of the remarks of the hon. member for Parry Sound-Muskoka. I want to point out that the quotation from Professor Cohen's evidence had to do with whether there should be authority for the application of a restraining order in these cases. That is what Professor Cohen approved. The point raised by the hon. member for Bonavista-Twillingate is whether the minister should have the authority to determine what type of proceeding should be taken in these cases, and the point was not dealt with by Professor Cohen whether the minister should have the authority to decide or whether the courts should have the authority. If he will recall what has been said here he will agree that at no point was there any objection taken, or any suggestion that the courts might not properly have the authority merely to issue a restraining order or the other appropriate type of order, instead of applying the usual penalties whether by way of fine or imprisonment.

That was not the point at all. There was no objection to that. The point was that through this amendment, the minister is in effect taking the right, where an offence has been committed, to determine whether proceedings will be by way of criminal prosecution or by way of some civil proceeding, with the appropriate type of order made. That surely is something for the courts and not for the minister.

Mr. Fulton: Well, since the point of principle has been raised, while not wishing to prolong the debate I do, however, wish to point out that there are other authorities with respect to the acceptability and desirability of this flexibility being given in legislation of this type. I refer particularly to the report of the MacQuarrie committee which was set up to study combines legislation. In their report at page 40 they say as follows:

The use of a judicial restraining order has been suggested from time to time as a promising addition to remedies. It would be of marked service in certain types of situation, of which the incipient combine—

Mr. Pickersgill: "Incipient".

Mr. Fulton: Wait; don't be so quick. I continue:

—questioned practices in the twilight zone between competition and monopoly where the law is unsettled and the operations of the single-firm monopoly are illustrations. The analogy of the American injunction suggests itself. In the United States it has been widely used and found of value. Especially when employed in the framing of consent decrees it reaches situations where criminal prosecution may be ineffective or unsuitable, and introduces a useful element of flexibility into the administration of the legislation.

Our framing of the clause now under consideration was with the purpose of carrying into effect the full scope of the view of the MacQuarrie committee.

Mr. Pickersgill: Mr. Chairman, I should like to reply to the minister by just saying the law as it now stands which, of course, was enacted pursuant to the recommendations of the MacQuarrie committee, is in our opinion very good law and should be left alone.

Mr. Caron: If the minister had continued with the citation he quoted on page 40 he would have seen that the MacQuarrie committee report says:

In this country it is unsettled whether constitutional and other legal obstacles stand in the way of the use of a remedy of this kind.

Therefore, even in the MacQuarrie committee report there is a doubt as to the constitutionality of this provision.

Mr. Fulton: That matter was considered, and we believe we have framed a clause that is not open to constitutional question; that is our view.

Mr. Howard: At the moment, Mr. Chairman, apart from this particular amendment before us, there are provisions in the act which have been there for almost a donkey's age, as it were, which allow the minister to take different approaches to the same set of circumstances in two different cases. This is an act which was enacted by the Liberal administration, or at least it was not changed by them. The zinc oxide case is a case in point. This was a case in which the minister decided not to proceed to court. The minister has discretion now. I think he used it incorrectly in the zinc oxide case, but that is beside the point. At the moment the minister can determine whether he should proceed to prosecution or drop the whole thing, and he decided to drop it in the zinc oxide case.

This is an extension of the ministerial authority to prosecute or not to prosecute, or to ask for a restraining order.

To avoid being inconsistent the Liberal party should ask for the removal of all the discretionary powers that the minister, the director and the commission have to cease to investigate cases whenever they think it is desirable. The discretionary power of the commission to recommend that the report be not made public should be removed. The discretionary power of the minister to decide whether he shall make the report of the commission public should be removed. All this discretion which the minister has should be removed, and it should be mandatory that once they start the investigation, the proceedings should be carried all the way through to prosecution, regardless of the merits.

Mr. Pickersgill: The hon. member can talk all day, but he is not going to get away from the fact that last night he and his colleagues voted to treat one criminal in one way in one set of circumstances and another criminal another way in the same set of circumstances. I think he is embarrassed a bit by what he did last night.

Mr. Fulton: Would my hon. friend say that the provision in the Criminal Code to treat criminals in one of two ways in one set of circumstances and another way in another should be removed? Yet the prosecuting authorities decide now whether to proceed by way of summary conviction or by way of indictment.

An hon. Member: We hope it is a jury.

Mr. Howard: I point out that the hon. member for Bonavista-Twillingate has made a slanderous accusation against members of our society. He in effect has designated people who might come under the surveillance of this law as criminals.

Mr. McIlraith: No.

Mr. Howard: He did. He called those people criminals before. I think this is a slanderous accusation.

Mr. Crestohl: As the minister no doubt knows, the provisional execution is at all times a remedy which should be exercised with great caution. Here the matter is already before the courts; action has already been commenced. This is different from when a provisional execution is resorted to, when a report is merely submitted to the minister or to his department to commence an investigation. Here we are already before the courts, and we are anticipating too much when we ask that provisional execution should be made while the case is still sub judice.

[Mr. Howard.]

Mr. Fulton: I do not know that I follow fully the import of the hon. member's question, but as I said in the discussion last night no order could be made under the new procedure unless the facts as contained in the allegation on which the application was based had been proven. So there is no question of issuing an order and leaving the other issues before the court. The issuing of an order would only be done after determination of the question of whether the facts as alleged had been proven.

Clause agreed to: Yeas, 43; nays, 10.

On clause 13—*Court may require returns.*

Mr. Fulton: Mr. Chairman, on clause 13 may I make a suggestion, which I hope will meet with the approval of the committee, as to how we should deal with this clause. It will be appreciated that it is a lengthy clause covering a number of sections of the act, and incorporating two new sections into the act. It also carries into effect the new division of the act into parts and contains provision for part V.

If it meets with the wishes of the committee may I suggest, therefore, that we deal with this clause by calling the proposed sections of the act such as 31A, then part V, proposed sections 32, 33, 33A and so on. In that way I think we will have a discussion in the most orderly manner. I should like to give an additional reason for doing so, namely that with respect to proposed section 32 I will be asking one of my colleagues to move an amendment dealing with the question of industry engaged in export trade by way of adding two subclauses to subsection 2, and it will be difficult to do that unless we call the proposed sections one at a time instead of the whole clause.

Mr. Pickersgill: I think that would be perfectly satisfactory. It would really be quite impossible to discuss this clause as a whole clause.

The Chairman: Is the committee agreeable to the suggestion of the minister?

Some hon. Members: Agreed.

Mr. Pickersgill: I wonder whether the minister would also consider giving to representatives of the opposition a copy of the amendment he proposes to move so we can be looking at it meanwhile.

Mr. Fulton: It is an important amendment. It is one that was referred to in the committee and an amendment dealing with the subject was moved. I promised to give the matter further consideration to see if we could come up with something. Therefore I am glad to comply with that request.

The Chairman: Shall new section 31A carry? Carried. Shall new section 32 carry?

Mr. Howard: I should like to make a request. We have just received the proposed amendment to new section 32, which adds two new subsections. I wonder whether it might not be more advantageous to allow the proposed section 32 to stand in order to give us an opportunity to assess the effect of the proposed amendment. Perhaps the minister might have one of his colleagues move the amendment and then ask that the proposed section 32 stand. We could then take it after the lunch hour or later today or on another day, if discussion of the bill lasts that long.

Mr. Fulton: I anticipate there will be quite a lot of discussion on new section 32, subsections 1, 2 and 3, which have been in the bill for some time. As my hon. friend has pointed out, the amendment would add new subsections 4 and 5. In effect they stand by themselves, and I had hoped that we could deal with 1, 2 and 3. It may well be that by the time we have dealt with them there will have been time for consideration of the proposed amendment. If there has not been time and the matter is raised again I would be prepared to consider allowing the matter to stand, but I should like to get on with subsections 1, 2 and 3 at the present time.

Mr. Howard: I should like to point out that when we proceed to consider and debate subsections 1, 2 and 3, those who are intensely interested in this legislation will be engaged in that consideration and debate and will not have an opportunity to look at the proposed new subsections 4 and 5. At the end of the debate on subsections 1, 2 and 3 I think we will still find ourselves in the position of not having had an opportunity to consider the minister's proposal. I anticipate that this will occur.

Mr. Fulton: Can we see how we stand when we get there? It may well be that the lunch hour will intervene. If at the time we come to the amendment hon. members feel strongly that they have not had time to consider it, I will be quite prepared to deal with the question then.

Mr. Pickersgill: I see no reason for not going on with the others.

Mr. Howard: If I may proceed to make some remarks with respect to the proposed section 32, subsections 1, 2 and 3, as every member of the house knows and as every witness who appeared before the banking and commerce committee indicated, this is one of the two major amendments in the bill, the other having to do with the amendments to section 34. They are the ones which aroused the greatest amount of controversy involving support on the part of some interested parties and objections from others.

I do not intend to go extensively into such things as whether or not it is proper to put the word "unduly" in paragraph (d) of subsection 1, a matter which I believe was referred to earlier by the hon. member for Hull in dealing with the evidence of Professor Cohen respecting whether or not the verbs "restrain" and "injure" needed any qualification or were absolute in themselves.

I am concerned at this moment with subsections 2 and 3. The argument has been put forward that at the moment those things contained in subsection 2 are permissive as long as they do not have a detrimental effect or do not lead to any of the effects set out in subsection 1. In other words, at the present time corporations can conspire, combine, agree or arrange one with the other to exchange statistics provided the exchange of statistics does not result in limiting unduly facilities for transportation, manufacturing, production or distribution, or enhances prices, and so on. Corporations can and do make arrangements with respect to the defining of product standards as set out in paragraph (b) of subsection 2. As to the exchange of credit information, they undoubtedly engage in such practices. Then there is mention of the definition of trade terms and co-operation in research and development. The pulp and paper industry is a prime example of co-operation in research and development in which even government agencies participate.

Apparently these things can be done at the moment. They are not considered illegal practices in themselves; but if agreements or arrangements of this nature, at the moment, lead to the undue limiting of facilities, transportation and so on, as I related earlier, then the people engaged in these practices run foul of the law.

Cogent arguments against the inclusion of subsections 2 and 3 in the bill were given by practically every one of the university professors who appeared before the committee. Professor Cohen went into the matter extensively, and without reading his testimony word for word may I say that he made the point that this acts as an incentive to engage in these practices. It would be very easy for a group of businessmen who have legal authority and sanction to exchange statistics to feel a psychological incentive to engage in practices which are contrary to the law. The economists, men of stature and ability in the field, were likewise opposed to the changes that are set out herein.

Again without reading the testimony word for word I should like to indicate in a general

way that they were so opposed. I think many years ago Adam Smith foresaw that businessmen, when they sat down to discuss things with one another, that is their relationship in the economy and whether or not they are able to increase their profits, whether or not they can increase sales, would discuss whether it would be desirable to do this by co-operation rather than by competition. The inclusion here of subsections 2 and 3 will merely allow for the spilling over into the conspiracy field of price arrangement of the degree of arrangement that is permitted in so far as statistics are concerned.

Another point deals with the argument that has been developed in the courts for a number of years concerning specific detriment, an argument which large corporations that have been charged under the Criminal Code say should be considered. Their argument is that the courts should consider the specific detriment of any conspiracy or agreement, but the courts have rejected this argument generally on the ground that it is not possible for them to do this because the law does not permit it. The courts say that if a conspiracy exists then it is, as such, illegal. We still talk in Canada today—this is the amazing thing to me—as if there were some benefit to be derived by society from price conspiracies, as though there were some beneficial results from corporations getting together to fix prices. The situation in the United States is quite different. Many corporations down there, because of the effect of the law, would no more think of entering a price conspiracy than they would think of picking pockets. It is somewhat in the same category today.

Last year, Mr. Chairman, a bill was introduced to amend this act. I cite it as a specific indication of the attitude of the government on this question of specific detriment. I should like to read a part from Bill No. C-59 of last year, section 32, subsection 2, paragraph (b), where it talks about prosecution for an offence under subsection 1, and so far as the accused is concerned states:

> (b) also establishes that the conspiracy, combination, agreement or arrangement has not operated and is not likely to operate to the specific detriment of the public, whether consumers, producers or others.

We see here in the bill of last year a reflection of the government's attitude toward injecting this specific detriment argument into the law. The words are there precisely, "specific detriment of the public". Those words are not contained in the bill this year. However, I believe the government's attitude slipped out in the explanatory notes on page 6 of the bill, which read in part as follows:

> The purpose of subsection 3 is to make it clear that, notwithstanding that certain practices come within subsection 2, the accused cannot avail himself of that subsection if these practices are accompanied by effects that are detrimental to the public interest.

The word "effects" is in there. There is a reference earlier in the bill to the things which the restrictive trade practices commission may find, and there is a reference to that in the explanatory notes. In the bill presented last year there was a particular reference in one section to what the commission should find, and again there was a reference to a finding of specific, substantial detriment to the public.

I submit that this is what the government desire to do, and they are so weakening the price conspiracy sections of the Combines Investigation Act through the introduction of these legalistic terms that prosecution will be practically impossible. The courts will be spending all their time, if a case comes to the courts, in listening to the arguments of opposing counsel about specific detriment; listening to such arguments as to what the price level might have been if the price conspiracy had not existed; listening to such arguments as to what the productive capacity might have been if there had not been a conspiracy; what the quality of the goods might have been; what the distributive channels might have been, all these theoretical arguments as to what might have occurred if the price conspiracy had not existed.

In my opinion, and in the opinion of every one of the astute and capable economists, in the opinion of Professor Cohen, who as a lawyer has had considerable experience in the combines field, the introduction of the specific detriment provision would emasculate the present Combines Investigation Act in so far as price conspiracies are concerned. We in the C.C.F. party are completely and unalterably opposed to the inclusion of subsection 2 and 3 in this bill because we believe it will do nothing but emasculate the act. Year after year the private interests of this nation have argued that the courts should look at specific detriment. The inclusion of these subsections is an indication of the influence, power and control these interests have over the government. I say that subsections 2 and 3 have no place whatever in this particular bill.

In so far as subsections 4 and 5 are concerned, as I say I have not had a chance to look at them as yet. If this is a reflection of the arguments used for putting this into the Combines Investigation Act in the first place, then at first glance I would be opposed to subsections 4 and 5. As I say, I have not had a chance to look at those subsections which the minister has just introduced but on the surface, in view of the expressions of opinion

in the committee on this question, I think we would be rather opposed to them also. But that is another matter.

In summing up, I would say that the proposals do nothing but seriously weaken the effectiveness of the law in dealing with price conspiracies, and they will seriously hamper the courts in the determination they may have to make about price conspiracies because they will be spending their time in arguing theoretical concepts and results from the economic point of view. It will mean that we shall be able to have price conspiracies running rampant through this country without much fear of attention. The only people who are going to benefit are private enterprise, and the only people who are going to suffer are the consumers. To that end I move:

That subsections 2 and 3 of section 32 of clause 13 be deleted.

Mr. Pearson: Our proposition with regard to section 32 was made clear on second reading and it has been made clear in the committee. We are strongly opposed to it. The reasons for our opposition, or some of them, were given by my friend who has just preceded me, and I am not going to traverse the same ground. It must be pointed out that subsection 2 of this section 32 (2), which you might call the exemption subsection gives immunity to a conspiracy or a combination in respect of the matters enumerated, even if competition is lessened in matters such as price, production, marketing, distribution—

Mr. Fulton: Even if—?

Mr. Pearson: Even if competition is lessened.

Mr. Fulton: No.

Mr. Pearson: Competition under this wording has to be lessened unduly.

Mr. Fulton: As is the case with every breach of the combination provisions.

Mr. Pearson: Therefore, as has been pointed out—and it was pointed out in the committee—this provides quite a loophole and will give a field day to the lawyers. Indeed, in reading the committee evidence I recall that the hon. member for Greenwood, I think it was, said that it would make a lawyer's paradise. We think the word "unduly" certainly should be taken out. I do not want to say any more on the subject of this section. We have made our position perfectly clear. This is the heart of the amendments certainly one of the most important parts of the amendments, and will have a very bad effect.

Mr. Caron: We are quite in agreement with the hon. member for Skeena, because we had the same amendment to propose this morning. The reason we felt obliged to propose this amendment is that we believe this section will create a loophole which will permit a greater defence for those who might use this section not for the purpose of just helping to exchange statistics and product standards and other things, but to use these things in order to control or organize mergers outside the law, to organize certain monopolies outside the law and more especially to engage in price fixing.

This is not new. It was raised in 1950 before the MacQuarrie committee. The Canadian Manufacturers' Association at that time, in their brief at page 5, stated as follows:

It is submitted that it should be possible to specify a number of things which are not to the detriment of the public and which businessmen may consequently do without being liable to prosecution under the act.

The only thing they seemed to be afraid of were prosecutions.

To the extent that this could be done, it would reduce the area of uncertainty which at present covers practically the whole field, so far as joint action with competitors is concerned and would be a real forward step.

This matter was brought forward and their brief was most generally dealing with this matter. But at the time there was a book entitled "Monopoly and Free Enterprise" by George W. Stocking and Myron W. Watkins, in which they describe exactly the dangers of the proposed amendment. They say this:

Trade associations frequently engage in a variety of activities some of which are perhaps innocent or even wholesome when considered separately but which together tend to curb competition and restrain trade. Standardization of products and cost accounting methods, for example, may eliminate waste and lower costs, but it also helps insure uniform prices among trade rivals. Exchange of information on the credit of customers may help reduce bad debts, but it may also serve as a basis for boycotting "undesirable" customers. Statistical reporting on prices, output, sales, shipment, stocks and the like may aid producers in independently formulating sound price and production policies, but it may also afford a basis for a tacit understanding to stabilize prices and curtail output. The compiling of freight rates from basing points to shipping destinations may serve the convenience of producers who customarily sell at delivered prices. But it is also an important, if not an essential, element in any plan to stabilize prices among widely scattered producers turning out standardized products with an inelastic demand, heavy transportation charges, large fixed costs of manufacture and relatively constant variable costs when operating below capacity.

It goes on in this vein at considerable length. I will spare the committee the reading of that portion and will go on to another matter, namely the existence of an agreement and the degree of control. With the new bill the task of our courts will become much more complicated. They will have, as in the

past, to make findings as to the existence of an agreement and the degree of control involved, but in addition, when the arrangement is related only to such things as the exchange of statistics, the defining of product standards and the other practices mentioned above, the courts will have to appraise the effects of such arrangements on prices, production, markets, distribution and the number of units in an industry, and find whether those practices have the result of lessening competition unduly in those respects.

When I turn to the evidence which was given in the committee, Mr. Chairman, I note that Professor Cohen, speaking on section 32 (2), as reported at page 556 of the minutes of proceedings, stated as follows:

> This proposes the most striking, or one of the most striking features of this bill, I could spend a great deal of time on it.

Further on he said:

> Year after year responsible leaders of industry have come forward, C.M.A., and others, and have put forward what certainly to them, and to many other people, seem responsible points of view. This legislation now, it seems to me, accepts the proposition that it is worth while to cast in terms of law these, what may be called, innocent areas of business co-operation and not merely to leave it to the courts to discover the innocence, but to give the courts specific guidance as to innocence. The best case that can be made for this, therefore—I will come to the other side of the point—but the best point that can be made for this very important policy change, is that it is already sufficiently imbedded in legal ideas about these matters to hold them licit, to hold them legal. Therefore, all we are doing is declaring what in fact is something which the courts would regard as legal.

On page 557 Mr. Cohen is reported as saying:

> So the section already is aware of the possibility that although businessmen may get together for purposes only of advertising, or only for information, or only on research, it may lead to fixing prices; it may lead to restrictions on production. At that point then the defences of subsection 2 will not operate.

Now let us consider some other evidence given on page 434 of report No. 7 by Dr. Skeoch, professor of economics of Queen's University. Speaking on section 32 he said:

> This is the basic section of the proposed legislation is so far as agreements restricting competition are concerned.

Further on he continues:

> This may merely reflect the character of the established jurisprudence, although, if this is the case, it is not clear why it was necessary to alter the legislation.

The professor had this to say, as may be found at page 435:

> If it is desired to maintain the same tests of restrictive agreements as are now in effect, the simplest and most direct means of doing so would be to omit subsections 2 and 3 from the proposed amendments. A somewhat similar result could be achieved by deleting everything after "unduly" in line 43 of page 6.

I think it is sufficiently established that these professors of economics and law seem to be of the same opinion that the opposition holds today. Again, I call the attention of the committee to the letter signed by Professor G. E. Britnell, head of the department of economics and political science of the University of Saskatchewan, which appears on page 15 of the appendix to the proceedings of the banking and commerce committee. Mr. Britnell has this to say in the second paragraph of the letter:

> The amendments to section 32 listing permissible forms of co-operation between companies are still subject to the dangers which we indicated in our submission. Furthermore, the amended bill is still likely to result in a significant weakening of the ban on resale price maintenance. Finally, our concluding suggestion that the application of the legislation to the service industries be examined have been completely ignored.

Then again, we might well consider the testimony given by Mr. Hannam, which can be found at page 594 of report No. 10:

> As far as we can see, the new section 32 in the bill is intended to make it clear that certain practices that are not detrimental to the public interest may be followed provided they are not accompanied by harmful effects. This section seems to us to create real dangers.

He goes on, then, to explain the danger. Thus we are not alone in thinking as we do. We share our opinions with an economist of recognized ability. We share them with a professor of law who knows perfectly well the background of legislation of this kind. He has made a profound study of all the matters which are the concern of this bill, and both he and other distinguished professional men have come to the same conclusion, namely that it would be a lot better to leave the legislation the way it was or to delete subsections 2 and 3 of section 32.

For these reasons we have to go along with the hon. member for Skeena in supporting the amendment. We think the minister should have second thoughts and recognize the weight of the important objections which have been brought up by almost everybody who has considered this question, and especially by those most concerned with the welfare of the consumer in Canada. By persisting in his present course he is granting to the manufacturers association exactly what they were trying to get in 1932 and have been trying to get ever since, namely to turn the law around and do exactly what the law now forbids.

I hope the minister will study this amendment very carefully and accept the fact that his new proposals have been condemned by people who have no political interest in the question, people who are interested in the subject as economists or as lawyers; and I must tell the hon. gentleman that if he does

not wish to change this clause we shall have no alternative but to vote in favour of the amendment.

Mr. Fulton: This question has, of course, been very carefully considered. It was considered in every stage of the drafting of the bill, when we had the debate on second reading, and again in the banking and commerce committee.

In my view, the hon. member who has just spoken and all others who have expressed the same opinions are in error when they say this section does not take account of the interest of the consumer. I maintain that it does take account of the interest of the consumer and it does so by preventing the commission of practices in restraint of trade by combination to exactly the same extent as is the case under the present law.

All this section does is to make clear what is now the situation, namely that if without entering into a conspiracy to restrict competition with respect to the prices or quantity or quality of products or channels or methods of distribution, industry engages in certain practices which are set out in subsection 2 which will be beneficial to the economy, these things may be done without fear of prosecution and conviction.

It is surely an incorrect and misconceived position to say that if this section will make it possible for industry, without conspiring with regard to restriction of prices, and so on, to get together to pool resources with regard to research, the defining of product standards and other matters which will benefit the economy and produce benefits which will be passed on to consumers, the section operates against the interest of consumers.

It seems to me that the only criticism which can really be made of it is that it is a section which accomplishes nothing, because it only states what the law is today. That criticism was made by those who referred to the evidence of Professor Cohen. The hon. member for Hull just read a portion from page 556, and I think it is important to repeat it:

> The best case that can be made for this, therefore —I will come to the other side of the point—but the best point that can be made for this very important policy change, is that it is already sufficiently imbedded in legal ideas about these matters to hold them licit, to hold them legal. Therefore, all we are doing is declaring what in fact is something which the courts would regard as legal.

I quite accept that criticism. We have said from the outset that this was our intention. It was made clear to us that without this clarification in the law, practices which would produce positive benefits to the economy in general and to consumers in particular would not be followed by industry because they felt the law was unclear; so if by clarifying the law, not by changing it, you can produce benefits which will be of direct help to consumers and to the state of the Canadian economy generally, I think it would be a weak, unwise and unjustifiable course on the part of a government to refuse to make that change simply for fear of criticism, misunderstanding and misinterpretation.

Our approach is a valid and sound one. It first preserves the existing jurisprudence by retaining the existing definitions, and thus preserving all the force and effect of the law as it now stands. Second, it makes clear what may be done, provided it is done without bringing about a combination. Third, for the purposes of greater clarity we go on to say, "Here are the things which you must not accomplish".

That it is a sound approach is shown by the fact that it makes possible the introduction of the amendment to deal with the position of the export industry, which amendment will be moved a little later in this committee. That amendment is based on the same approach; that there are things that may be done which are not harmful to the domestic economy, which improve the situation of the export trade and which improve therefore the strength of the Canadian economy generally, and which it is agreed are beneficial, and which it is also agreed it is desirable to make clear that the law permits. The approach to be followed in the export amendment is exactly the approach that is being followed in the amendment referring to the effect of certain domestic activities. In both cases it is made as clear as it can be made that whether it be in the export field or in the field of co-operation in Canada, nothing may be done under the guise of that clarification which would in fact have a harmful effect domestically. That this approach has made possible an amendment to deal with the export field, is as I say, additional proof of its validity and of its benefit to the country rather than its detriment.

Mr. Howard: Mr. Chairman—

Mr. Pickersgill: Mr. Chairman, if I could just say a word—

The Chairman: I recognize the hon. member for Skeena.

Mr. Pickersgill: Oh, I see; he is making another speech.

Mr. Fulton: Are you suggesting that you would not have made another one?

Mr. Howard: I caught that snide remark—

Mr. Winkler: It was not very snide by your standards.

Mr. Howard: —of the honourable and unemployed privy councillor who I understand has never had a job for very long because he keeps changing—

Some hon. Members: Withdraw.

Mr. Pickersgill: I would not think of asking the hon. member to withdraw.

Mr. Hellyer: No, that type of remark is typical of the hon. gentleman.

Mr. Howard: Since the minister has selected portions of the evidence to read—

Mr. Fulton: My friend the hon. member for Hull appears intent on putting all the evidence on the record eventually, so I did not see why I should have been merely repetitious.

Mr. Howard: That is a point to argue with him, not with me. In fact Mr. Cohen did not fully agree—

Mr. Fulton: I admitted that Professor Cohen was not uniformly favourable. I was not trying to create that impression. I merely emphasized that he had some good things to say about the bill.

Mr. Howard: That is just fine and dandy, but if the minister would be silent perhaps I could be allowed to continue my remarks.

An hon. Member: Take 40 minutes.

Mr. Pickersgill: He can only take 30.

An hon. Member: Thank heaven.

Mr. Howard: I am attempting to proceed but there are many interjections, and if I were to describe them by using the phrase that comes to my mind I would be accused of being unparliamentary.

Mr. Winkler: Most of your remarks are.

Mr. Howard: Most of them are truthful, and that is why they are not acceptable to the hon. gentleman. The truth hurts. I propose to read from the remarks of Mr. Cohen at page 557 with respect to the proposed amendments to section 32, in order to even up the balance sheet to which Professor Cohen referred and to which the minister also referred last evening:

> Now, what we have to ask ourselves is this: what is the extent to which experience teaches us that this kind of encouragement will or will not lead to abuse. The real problem is not the juridical aspect so much, because one can argue with some, I think, clarity and force, Mr. Chairman, that clause 2 (a), (b), (c), (d), (e), (f) and (g) includes matters that most of us already regard as licit and as legal. What is important in subsection 2, however, is this: does it provide psychological encouragement to go further? This is the question.

The next words are not germane so I omit them. I continue:

> [Mr. Winkler.]
>
> So, I say, Mr. Chairman, again, without, by any means being dogmatic, that I think this language is a temptation. I think its importance is not so much legal: it is psychological. I think it is a danger. The point of view of all of us is that we share the same interest, the interest of preserving as much a free and workable competitive economy as we can, in the face of the pressure of a welfare state. That is the main objective we all have in common. Does this, in terms of our common goal,—you and I have here—does this lend itself to it? Will this give the businessman a kind of feeling of legality that in my opinion he already has with these activities, or will it perhaps induce some of them to go a great deal further than they ought to go? My view is that this particular formulation is a flag of temptation, not a rule of legal importance. This temptation may lead to illegalities.
>
> So much for my views on that section.
>
> I think this is by far perhaps the most important, with one exception, the most important single policy change in this bill. I would, therefore, sir, certainly oppose this particular change. I see no important contribution it could make at this time without much deeper thinking.

On the one hand Professor Cohen said these activities are permitted at the moment and have been imbedded in the law for some time, and on the other hand he opposed the changes because they might lead to abuse. The minister selected only the good things Mr. Cohen had to say. In fact Mr. Cohen said only that these things exist, and he expressed opposition to the changes pointing out the detrimental effects that could result. I raise this only to correct the balance sheet.

Mr. Pickersgill: Mr. Chairman, the minister has said that this is another bill of rights—

Mr. Fulton: Your words, not mine.

Mr. Pickersgill: —in which he is asking this parliament to spell out some things that are not against the law now in order to reassure people that they may do things that it is lawful to do. If I am misinterpreting the hon. gentleman I should like him to correct me at once.

Mr. Fulton: Except that I did not apply the term "bill of rights".

Mr. Pickersgill: The minister did not use the term "bill of rights", no. What this is saying, according to the minister, is that these things have always been lawful, but for greater certainty we are going to put them in because Canadian business is so timorous it is afraid to do what is lawful unless parliament spells out that it is lawful to do it. I do not think so ill of Canadian business as that, sir; I do not myself think that most Canadian businessmen are afraid to do what is lawful even though parliament does not spell out what is lawful.

It does seem to me that if we want this legislation to be as clear and precise as possible, we should content ourselves with saying what is unlawful and have the good

old British presumption that anything that is not specifically unlawful is lawful in a free country. But our objection to it is not on the ground that it is declaratory. If it were merely declaratory, if it were merely unnecessary verbiage, as the minister implied, in the statute, our attitude might be different. Our objection is that we do think this is apt to result in litigation and its use as a cloak or a screen for activities which are unlawful.

We are not alone in thinking that, even in the house. The hon. member for Greenwood is not here, but his words have been plainly printed in the proceedings of the committee. They have already been referred to by the Leader of the Opposition. But in view of the eminence of the hon. member for Greenwood, of his long experience in business, of his long experience in parliament, of his unhappily rather short experience in government, it does seem to me that the committee would wish to pay special respect to that hon. member's words, and I therefore think they ought to be put on the record again as they were uttered in the committee. They will be found in the proceedings at page 698, as follows:

> Mr. Macdonnell: I want to ask a question which, I am afraid, would be mainly a rhetorical question.

Well, the hon. member supports the government; I suppose that is why he put it that way. Perhaps I had better go on and read it:

> Mr. Macdonnell: I want to ask a question which, I am afraid, would be mainly a rhetorical question. The more we talk about section 32 the more I am convinced that it is going to be a lawyers' paradise. It is difficult, if things are not gone at directly by retaining the old wording; and I suggest it is difficult to question that the benefit of retaining the old wording is very great. Does there come a time when you pay a penalty for it? Is it possible in this case it might have been approached directly instead of indirectly?

Of course it is a very conservative attitude that we should retain the old wording; that we should stick to something that has on the whole worked pretty satisfactorily; but I come back again to what the hon. member for Greenwood said, namely that he was convinced that this was going to become a lawyers' paradise, sir, if it was used in pleadings, in charges under the main section. I do not think so ill myself of the combines branch, of the director and of the commission, as to think they are going to engage in frivolous prosecutions about any of the matters enumerated in this section, because I understand we were told in evidence that on no occasion had any of those practices which are stated to be perfectly legal ever arisen in connection with any prosecutions. Whether sections 2 and 3 are unnecessary, we think they are apt to prolong proceedings under the act, to make the law less enforceable and possibly to provide a cloak or screen for activities that are not lawful. For that reason I intend to vote for the amendment moved by the hon. member for Skeena.

Mr. McIlraith: In his remarks on this clause the minister made reference to something he said on second reading of the bill, which is to be found at page 4340 of *Hansard*, where he went on to indicate:

> The effect and intention of legislation must be clear, both in order that those who are affected by it may know what their position is, and in order that another very important principle may be maintained, namely that it should not be the government which from day to day determines by private decision what are the rules governing business and society generally, but that the rules governing business and society should be laid down in legislation which speaks clearly and which is capable of fair and immediate application.

I think I am quoting correctly in saying that that is his main defence in bringing forward this clause in the form in which it is found. This is his purpose. Well, I can only say that if this is his purpose it surely is a most indirect and devious route to pursue in achieving this wholly laudable purpose. The form of the new clause 32 is certainly an indirect method of spelling out clearly what is illegal under this particular phase of the legislation.

The minister made some reference to the export provision which he proposes to move later. With deference, I say it has no bearing on the point at issue now being discussed in committee. The export provision could be dealt with under this clause or under two or three other appropriate clauses in the legislation. But the minister also made clear—and indeed it is indicated in the explanatory notes of the bill—that he desired to preserve the existing jurisprudence. Indeed, subclause 1 of the new clause 32 is an attempt to do that, and subject to something I will have to say later as to one small point in clause 32 it does indeed take the former section virtually in toto and attempt to link it up so that we shall have the benefit of existing jurisprudence and many years of experience and administration.

Perhaps hon. members will bear with me for a moment if I seek to go through the section as it now stands to judge the method of approach to this problem. Perhaps you will call it one o'clock, Mr. Chairman, and I shall continue my discussion later.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. McIlraith: Mr. Chairman, when the committee rose for the noon adjournment I was seeking to show the dangers in the

method of approach to the drafting of new section 32 as contained in clause 13 of the bill. I had started to indicate my argument by referring to section 32 (1) which contains a statement of the offence. If I may paraphrase the subsection, everyone who conspires, combines, agrees or arranges with another person to prevent, limit or lessen unduly competition in the production, manufacture and so on of articles, or to restrain or injure trade or commerce is guilty of an indictable offence and liable to imprisonment for two years. In other words, 32 (1) is an attempt to preserve the existing jurisprudence and to restate the offence in terms almost identical with the existing law. Then follows subsection 2 which I think I ought to read. It is in these terms:

> Subject to subsection 3, in a prosecution under subsection 1 the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to one or more of the following—

Then there are seven subheadings, the first six of which refer to such things as the exchange of statistics, defining of product standards and so on. As to the first six of the enumerated items, so far as I am aware, and I would ask the minister to correct me if I am not wholly accurate, there has never been any investigation or prosecution under the act. But my concern is with the seventh of the items enumerated in subsection 2, which is in these words:

> (g) some other matter not enumerated in subsection 3.

Therefore there is a good defence if the combination relates to some other matter not enumerated in subsection 3. At that point we have defined the offence in subsection 1, and we have then said that there is a good defence to any prosecution under subsection 1 if the combination relates to some other matter not enumerated in subsection 3. Subsection 3 goes on to say:

> Subsection 2 does not apply if the conspiracy, combination, agreement or arrangement has lessened or is likely to lessen competition unduly in respect of one of the following:
>
> (a) prices,
> (b) quantity or quality of production,
> (c) markets or customers, or,
> (d) channels or methods of distribution—

Then these words follow:

> —or if the conspiracy, combination, agreement or arrangement has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry.

I want to indicate what an indirect route is taken to achieve clarification in this section. The offence is set out clearly in subsection 1, as it was in the earlier legislation, and we have some 50 years of jurisprudence determining what constitutes the offence. Subsection 2, for reasons that were indicated in the banking and commerce committee, enumerates certain types of combinations that have never been considered to be an offence, and therefore at least as to the first six paragraphs in subsection 2 it has no meaning or effect at all. But the seventh paragraph then goes on to say that there is a good defence unless the charge deals with some other matter not enumerated in subsection 3. Subsection 3 then goes on and applies a limitation. It will be seen that the whole scheme of subclause 3 is by way of limitation of the offence, and not even applied directly but applied indirectly by way of enlargement of the defences to subclause 2.

Subclause 3 is not taken in its present form from any of the existing legislation and is not, as such, the subject of any court decision. It is an attempt to repeat, I suppose the minister would say for greater clarity but I would say for dangerous, ultra-cautious reasons, what is already contained in the other subsections. This raises the whole question of how much of the offence set out in the first subclause is discarded by the combined effect of subsections 2 and 3 or the combined effect of subparagraph (g) of subclause 2 in bringing subclause 3 into effect.

I feel that this is a dangerous type of draftsmanship, and the question must remain outstanding as to how much the offence is cut down by this new method, particularly by incorporating subclauses 2 and 3 in the form in which they exist and with particular reference to subparagraph (g) of subclause 2. That is the point I wish to raise. I do not want to belabour the point and I do not want to repeat any of the arguments heretofore advanced. It seems to me, in view of that real danger, that we are unintentionally cutting down on the offence, and for no clear reasons; therefore I would support the amendment.

Amendment (Mr. Howard) negatived: Yeas, 10; nays, 25.

The Deputy Chairman: I declare the amendment lost.

Mr. McIlraith: I have one other matter that I wanted to raise, Mr. Chairman, in connection with subclause 1 of section 32. It is stated in the explanatory notes, as the minister indicated in his earlier remarks on the bill, that subsection 1 of the new section 32 incorporates section 411 of the Criminal Code. He went on to say that it was there merely to preserve the existing jurisprudence. I want to confine my argument to that narrow point. Section 411 of the Criminal Code is set out opposite page 11 of the bill, and I want to draw attention to an addition in subparagraph

(d) of subsection 1 of section 32. There is the addition of the word "unduly". The section in the Criminal Code does not contain that word, but the corresponding reference in subparagraph (d) adds the word "unduly" after the word "commerce".

It seems to me this is adding something new by way of limitation of the offence that is not warranted by any explanation given by the minister. Indeed, there has been no indication of the reason for this other than that the subclause was an attempt to preserve the existing jurisprudence. Without elaborating at length on the argument, I think it has been made clear, or at least it has been argued by the minister, that there has been no attempt to cut down the offence by the new definition. If that is so I respectfully submit the word "unduly" should be deleted.

I therefore move:

That clause 13 be amended as follows:
That the word "unduly" be deleted from paragraph 1 (d) of section 32.

Perhaps the minister would answer the point.

Mr. Fulton: The purpose of inserting the word "unduly" in subparagraph (d) of 32 (1), which I believe is the point my hon. friend is dealing with now—it has been hard to follow him and to know exactly to which subsection he has been referring. Is it subparagraph (d) (1) of 32?

Mr. McIlraith: Yes.

Mr. Fulton: The purpose of inserting the word "unduly" is threefold. It was felt that the courts would read the subparagraph as though the word "unduly" were there, because the word "unduly" is an inherent part of the definition of every offence in combination except this one. It was not there before, but we certainly felt the subparagraph would be read as though it were there. Second, we thought that for the purpose of uniformity and to make it quite clear that it is the undue interference with competition or trade and commerce that parliament is considering, it should be there. Then, third, we felt it should be there because of the effect of the container materials case, one of the important pronouncements of the Supreme Court of Canada in the field of combinations.

These seemed to us to be good reasons why the word should be inserted. I recognize that, having said that in our view the courts would construe the section as though the word were there anyway, it could be argued that if that were the case then why bother to put it in the statute. I do not believe that is a strong argument. I think our position is the better position, but I am quite frank to say that if my hon. friends opposite attach great importance to this and think it really changes the law, then because I cannot see any great potential harm in doing so I would be prepared to accept the amendment to debate the word. If my hon. friend presses the point I would be prepared to accept the amendment.

Mr. Pickersgill: I should like to say a word on the point, if I may. It depends a little on which verb you take. It is conceivable that you could restrict trade and commerce duly, which is the opposite of unduly. But it is hard for me to see how you could injure trade and commerce duly or how you could, by putting in the word "unduly" if you read it as "injure", injure trade and commerce unduly. It really suggests that there is a change in the meaning. For that reason I hope that my friend the hon. member for Ottawa West will insist upon his amendment. I might say that I think the minister's attitude is reasonable.

Mr. Howard: In view of the brief reference that was made earlier to the placing in paragraph (d) of the word "unduly", may I say this. The word "unduly" has appeared all the way through in relation to the verb in paragraphs (a), (b), (c) and (d), namely to limit, prevent or lessen. Those are not absolute terms. Lessening something can be done to slight degrees and so on. But when it comes to injury, this verb is more absolute and definite and the word "unduly" in connection with the verb "injure" implies that there is in the act something which should not be there. I think the wisest course is that indicated by the hon. member for Ottawa West. The minister indicated if the matter were pressed he would accept the amendment. Perhaps it would be better all the way round to remove the word "unduly". To me it appears that is the better course to take. I do not think the hon. member for Ottawa West formally moved that the word "unduly" be deleted therefrom, although he indicated that was his intention. I hope he will persist and that the course the minister suggested will be followed, namely that the word will be removed.

Mr. McIlraith: I think the attitude of the minister is quite fair on this point. In order that there will be no doubt in anyone's mind, may I say that the motion I had intended to move refers to the word "unduly" in line 26 on page 6 of the bill; that is to say, it restores the subparagraph exactly to the form in which it was.

Mr. Pickersgill: No, it is page 6, line 21.

Mr. Fulton: That is of the reprinted bill. I think my friend the hon. member for Ottawa West is referring to the original one.

Mr. Pickersgill: Which is the bill before us.

Mr. Fulton: Yes, the original bill.

Mr. McIlraith: Line 26.

Mr. Fulton: Line 26 on page 6.

Mr. McIlraith: Yes. The effect is to leave that subparagraph in the exact language used in section 411 of the Criminal Code. I think this motion achieves that purpose. I move:

That clause 13 be amended as follows, that the word "unduly" be deleted from paragraph 1 (d) of section 32.

Mr. Fulton: Under the circumstances outlined, Mr. Chairman, and in the light of the discussion, that amendment is acceptable to the government.

The Deputy Chairman: Is it the pleasure of the committee to accept the motion?

Amendment agreed to.

Mr. Howard: I should like to say a word or two about this matter, after listening to the discussion. Now that subsections 2 and 3 are in effect to be retained, while I do not want to cover the same ground again in so far as formal motions are concerned, it appears to me that there is some conflict between subsection 3 and subsection 1. Because there is an insistence on retaining the provisions of subsection 2, it would seem to me that perhaps the better course—

Mr. Crestohl: Would the hon. member mind if I have something to say on section 2 before he goes on to section 3? I think he took it for granted that subsection 2 is also lost.

Mr. Howard: I took it for granted that the motion of my hon. friend had been defeated and it would not be possible to move a similar motion; and that if subsection 2 is to remain, as it apparently is now because of the decision of the committee in the way it has been taken, it does appear that there is a conflict between subsection 3 and subsection 1. It would seem to me that the better course would be not to draft subsection 3 so that it made reference to specific things as it does, as in paragraph (a) to prices, in (b) to quantity or quality of the products, in (c) to markets or customers or in (d) to channels or methods of distribution, or preventing or restricting from entering into or expanding any business. I would think the better course would have been to phrase the subsection somewhat along these lines. "Subsection 2 does not apply if a conspiracy or combination or agreement or arrangement contravenes subsection 1" or has lessened or is likely to lessen competition unduly, and leave it at that. In terms of phraseology this may not be the way the draftsman would do it, but the intent is there. I think this connects subsection 3 with the parts in subsection 1 which are deemed to be improper or illegal. I submit that if we connect the two we would have perhaps less chance of the so-called specific detriment argument being developed in court if any prosecution should be entered upon under this section. I think perhaps I should say this. Following along those lines and to insure that there is some connection between them I move:

That subsection 3 of section 32 of clause 13 be deleted and the following substituted therefor:

I will read it, and it will be seen that this proposed amendment I have in mind and am about to read inserts three or four words, and I will make reference to them.

(3) Subsection 2 does not apply if the conspiracy, combination, agreement or arrangement contravenes subsection 1 or has lessened or is likely to lessen competition unduly in respect of one of the following:

(a) prices,
(b) quantity or quality of production,
(c) markets or customers, or
(d) channels or methods of distribution,

or if the conspiracy, combination, agreement or arrangement has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry.

The added parts I have underlined, I believe, in each of the flimsy copies that are available. The added words are "contravenes subsection 1" which are inserted between the words "arrange" and "as" in line 42. It seems to me that something of this nature is perhaps a better course to follow, to deal with a case where in the first instance under subsection 2 a person is charged, and then under subsection 2 he says, "Oh, we were only exchanging statistics or defining products" and by that argument seeks to avail himself of this sanction or authorization in order that he may not be convicted. I think we then ensure that his defence is connected so that he also must show that the activity of exchanging statistics or whatever it was they were doing does not do and result in any of the things prevented or prohibited by subsection 1.

It was for this purpose that I put in the words "contravenes subsection 1". Perhaps the better course would have been to eliminate all the references in subsection 3 so it just reads that subsection 2 does not apply to conspiracies, combinations or arrangements that contravene subsection 1, and place a period there. I undertake merely to insert

them and to leave it for the minister to make some reference in subsection 3 which would, if necessary, bring its provisions into accord with those of subsection 1. The main point is that there should be some relationship between the two subsections.

Mr. Fulton: I must say that the wording of the proposed amendment seems to be following the policy of chasing your tail, because in the light of the amendment suggested subsections 2 and 3 would not only have no purpose but would have no meaning by way of clarification or otherwise. The effect of the amendment is to do indirectly exactly what was suggested directly by the hon. member a little earlier, namely, to delete subsections 2 and 3.

I really cannot say much in amplification of what I said in explanation of the scheme upon which the present section was drawn. This is a clarification proposal based first on the retention of the present jurisprudence under subsection 1. Second, if it is a delineation of those courses of conduct which, if followed exclusively and not amounting to a combination as defined, can be followed without fear of prosecution and conviction. Third, subsection 3, provides further explanation, if you like, in order to make it perfectly clear what it is that parliament intends the combination section to cover so that those who read it may know what it is they may do and what it is they may not do. No one in the committee, in the debate on second reading, or here, has been able to suggest to me any way in which the amplification in subsection 3 of what is meant by a combination in restraint of trade is incomplete or defective in any way. That was the purpose of subsection 3.

To include the words of the hon. member for Skeena would make subsections 2 and 3 of no effect; they might as well not be there at all, because they would accomplish nothing by way of clarification. So I am not able to accept the amendment.

Mr. Howard: I feel that despite the explanation given by the minister that the purpose of these subsections is to add clarification, the provisions are designed to have a somewhat different effect. The minister said that some of the corporations were doubtful as to whether they had the right to engage in any agreement to define standards, exchange information and so on, and they did not want to do so because they felt they might run foul of the law as expressed in the provision set out in subsection 1. This was the purpose as stated by the minister on second reading.

If it is for any other purpose, that purpose is something which the minister did not indicate, and I think, perhaps, that what the minister and the government desire to do is to inject the principle of specific detriment into this section. That is why the minister wants to retain these apparently innocuous phrases such as prices, quantity and quality of the product, and so on. I suggest that the purpose is not simply that of defining the intent so that there should be no contravention of the legislation set out in subsection 1. I submit that in a roundabout way the hon. gentleman is hoping that the argument as to specific detriment can be used in the courts in connection with this legislation. When he used the words "specific detriment" in Bill No. C-59 last year it was developed as an argument which the courts consistently rejected, an argument which counsel for defending corporations has consistently maintained should be allowed. By rejecting this proposal the minister is now dragging in this matter of specific detriment in one way or another.

Amendment (Mr. Howard) negatived: Yeas, 19; nays, 50.

Mr. Crestohl: Mr. Chairman, I wish to address myself to subsection 2 and draw the attention of the committee to the words "shall not convict the accused". I find this language strange and somewhat offensive. We are now giving a judge sitting in a case a command—indeed almost a royal command—that he shall not convict. This does not allow the judge the latitude of discretion that is customarily allowed to a judge in finding whether there are grounds for defence leading to an acquittal or allowing for the benefit of the doubt. The words presently read "shall not convict the accused if" and I feel it would be more considerate language and more in line with the practice before the courts if the language read:

> —the court may consider it a defence if the conspiracy, combination, agreement or arrangement relates—

And so on. The minister has a keen legal mind. I anticipate that he can appreciate the difference in that language. I have rarely seen any section of the Criminal Code or any statute that contains a command to the judge that he shall—and I emphasize the word "shall"—convict. In the present form the wording does not allow the judge the customary discretion as to whether he should convict or consider that there is a defence if certain things are done. The language I suggest would be more consistent with the

language in use in the law of our land, in the Criminal Code and in criminal matters. I therefore move:

That the words "shall not convict the accused" in line 6 on page 7 in subsection 2 of section 32 be deleted and be replaced by the words, "may consider it a defence if," etc.

The section would then read:

—the courts may consider it a defence if the conspiracy, combination, agreement or arrangement relates only to one or more of the following—

The Minister of Justice is familiar with the terminology customarily used in statutes and should, I think, support a motion that removes a command of this kind. A command not to convict is an unusual command to give in our jurisprudence.

Mr. Fulton: Mr. Chairman, I am afraid I cannot accept or agree with the point of view of the hon. member who moved this amendment when he says that the effect of these words is unusual. The desirable feature of all legislation of this type is to make it clear what is the offence on the one hand and to make it clear what actions do not constitute an offence and will not result in conviction on the other. I therefore do not agree with the hon. member's interpretation when he says that these are unusual words. May I refer the hon. gentleman to one example that I have been able to turn up quickly, subsection 3 of section 246 of the Criminal Code, which reads:

No person shall be convicted of an offence under this section for expressing in good faith—

And so on. I am unable to see any difference in effect and hardly any in detail between those words and the words we use here, "the court shall not convict," so my hon. friend's point is not well taken in the first place.

In the second place the effect of his amendment I think, would be to establish a principle that no one would want to follow and that is the principle of saying in effect that the court can consider only this one defence. In other words, you would be depriving an accused person of all other defences because you would have said in effect that in a charge under the combination section "the court shall consider it a defence if the accused establishes so and so". That, it seems to me, would certainly open the danger that the courts would say, "Well, since parliament has provided for just one defence then by necessary implication there are no other defences", and the effect of this would be to make a change in the law and in the principles with regard to trial that I certainly would not be able to accept.

Mr. Crestohl: If my amendment did nothing else but draw to the minister's attention that only one defence might be open to an accused, and if he thinks he can remedy that, I see no reason why the minister, if he cannot accept the amendment, should not express his appreciation for having had drawn to his attention a loophole which he may be able to plug even though he rejects the amendment.

Mr. Fulton: I do not think that point follows at all because it is not the minister who has established the defence. The courts have entertained defences to charges under the combines legislation on the basis of their interpretation of the statutes. What you would be doing would not be preserving the existing jurisprudence as we have all agreed it would be desirable to do, but with respect to the defence side of it you would be narrowing down all the jurisprudence in one fell swoop to just one possible defence.

Mr. Crestohl: But does the minister not appreciate the fact that if the court hearing the evidence finds there is room for defence its hands are completely tied notwithstanding subsection 3 of the act? The court may find any one of the offences listed in the other sections of the act that are brought before it. As long as any of the items enumerated in subsection 2 are proved then it must acquit even though there may have been proof before it than an offence had been committed.

Mr. Fulton: That, Mr. Chairman, is a complete misconception of the effect of our amendment. I do not know how many times we are going to have to cover the same ground. Our amendment does not say the court must acquit if the accused establishes any one of these points. The amendment taken as a whole says that the court shall not convict if the accused shows that the arrangement related only to one of these points; and it goes on to say that notwithstanding that the accused was able to show that his arrangement embraced one of these points if in fact the arrangement went further than that and amounted to the creation of a combination having these disadvantageous effects then there might still be a conviction despite the fact that one of the incidental features was one of the purposes enumerated in subsection 2.

I am afraid that the trouble with my hon. friends opposite, Mr. Chairman, is that they have persisted in their misconception of the whole scheme upon which these amendments have been founded.

Mr. Crestohl: I point out that it is not a misconception.

Mr. Fulton: It certainly is.

Mr. Crestohl: Here is the classic clash between the producer and the consumer, and we see in this section the widest form of loophole for the offender to be able to escape through when you enjoin the judge and virtually compel him or suggest to him that he must acquit the offender. I feel that saying to the judge, "You shall not convict the accused" is rather tipping the hand of the government in this classic position between the producer and the consumer, in trying to legislate in a way that would produce the greatest good for the greatest number. This has been Liberal policy and that is why we feel these loopholes should be blocked up.

Mr. Fulton: Would my hon. friend not agree that the offence of blasphemous libel is a serious offence? The section of the code says:

No person shall be convicted of an offence under this section for expressing in good faith and in decent language—

And so on. Would my hon. friend suggest that parliament has tipped its hands to the court in a manner which indicates that parliament is really in favour of blasphemous libel? Nor do we do anything of that sort in the amendment which is now before us.

Mr. Howard: I am afraid I have not been able to follow the amendment of the hon. member for Cartier. Perhaps the Chair would like to read it again.

The Deputy Chairman: The amendment reads:

That the words "shall not convict the accused" in line 6 on page 7 in subsection 2 of section 32 be deleted and be replaced by the words, "may consider it a defence if,"

Mr. Pickersgill: I think the amendment of the hon. member for Cartier illustrates very clearly how difficult it is to draft criminal legislation that does not create offences. To try to define what are not criminal offences is a rather new departure which, of course, I cannot enter into now because the committee has made a decision.

Mr. Fulton: It is not a new departure. I was able to turn up a section of the code without any trouble where this was done before.

Mr. Pickersgill: The minister was referring to mitigating circumstances set out in the Criminal Code. The whole point is that it does not really seem to me that the wording would make very much real difference in this case because it is only enumerating things which are not against the law, anyway. Everybody agrees that these things are not against the law and the courts could not convict because they are not against the law. Perhaps in the circumstances the hon. member for Cartier, having illustrated very well what a confused kind of situation is being created by the legislation, would feel that he had served his purpose if he did not particularly press the amendment further.

Mr. Crestohl: In the light of the explanation by both the minister and the hon. member for Bonavista-Twillingate, and with the permission of the committee, I should like to withdraw the proposed amendment.

The Deputy Chairman: Does the committee give permission to the hon. member for Cartier to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

The Deputy Chairman: I understand that the minister has an amendment to section 32?

Mr. Fulton: If the discussion on subsections 1, 2 and 3 is finished; if not, we should wait until it is over.

Mr. Howard: I have a few remarks to make on subsection 1 and they relate to the actions of the court or the authority of the court to impose penalties if a person is convicted under this section of conspiring to do certain things. During the discussion on second reading a difficulty arose which I do not think is quite the same problem that we have at the moment. It is contended that if there is a conspiracy to enhance prices the courts would have some authority or discretion to adjust the amount of the fine so that it will bear some relationship to the profit picture of the corporation or corporations involved, and so that the penalty will be imposed for an infraction of the law and so that society will be able to recoup to a degree the additional amount, for argument's sake, that it had to pay during the time that such conspiracy was in existence. Perhaps the best way to get at the point at this stage is to move an amendment which relates to certain words in lines 28 and 29 of subparagraph (d) of the original bill. The amendment reads:

That subsection 1 of section 32 in clause 13 be amended by deleting therefrom the words "is guilty of an indictable offence and is liable to imprisonment for two years" in lines 28 and 29 and substituting therefor the following:

"Is guilty of an indictable offence and liable on conviction to a fine which shall not be less than 5 per cent of the total net profits of his business for the five years immediately preceding the year in which the fine was imposed, or if the conspiracy, combination, agreement or arrangement existed for less than five years the fine shall relate to the lesser period of time, or should such total net profits, if any, not total twenty five thousand dollars, then to a fine in the discretion of the court, or to imprisonment for a term not exceeding two years or to both fine and imprisonment.

That, I should think, sums up pretty well the arguments already put forward in answer to the point raised in objection to the proposal.

Mr. Woolliams: I should like to hear the last speaker define what he means by "net profit", and what he is to do if no net profit is shown, because net profit is a pretty illusive thing when it comes to a balance sheet. I am not surprised that this should come from the C.C.F. because they are probably not aware what a business balance sheet looks like.

Mr. Argue: You are not so bright.

Mr. Woolliams: I will leave that for the decision of the house, not the leader of the opposition.

Some hon. Members: Oh, oh.

Mr. Fulton: I think I should say a word about this amendment, Mr. Chairman. There is, I admit, an attraction that is more than superficial in an attempt to create a mandatory penalty commensurate with the advantage that may have been achieved as the result of an offence. Unfortunately, however, this is not always possible and certainly not possible within the limitations laid down within the amendment because a combination may well have effects other than an increase in profits. It may well be the intent of those entering into such an arrangement not necessarily to increase their profits but to accomplish other things. Indeed, it is my view and has been uniformly the view of parliament, I think, that combination arrangements are not necessarily more efficient and do not necessarily—indeed, by no means necessarily—result in an increase in profits. They have other effects, all of them undesirable.

In fact, it may well be that as a result of loss of efficiency by the elimination of competition you may have a reduction in profits. There are all sorts of other undesirable effects and results of combinations unrelated entirely to the question of profits. If, therefore, the discretion of the judge with respect to the imposition of the penalty was exclusively limited to the matter of the profits which the company had made over the years, I think you would find that judges' hands would be tied and that activities which should be punished much more severely would have the penalty limited in an undesirable fashion from the point of view of the hon. member for Skeena and, indeed, generally.

Therefore, notwithstanding the criticism which is made of the courts and of the extent of the fines they have been imposing, I think the desirable principle to follow is to leave the punishment in the discretion of the court. Then there is no limitation on the authority of the judge to impose a heavy penalty where he feels there was a deliberate and anti-social—for want of a better expression—anti-social conspiracy on the part of those engaged in industry to do that which the law prohibits. If you start imposing limitations of this sort, what you are actually doing is limiting the capacity of the courts to make the punishment fit the crime.

I know, as I say, that there may be criticisms that in this case or that case judges have not imposed adequate fines. Many of these criticisms arose out of the fact that until recently there was a limitation on the total fine that could be imposed. But even if the criticisms were justified and judges were not yet educated, if you like, to the point where they imposed adequate fines, I do not think the way to cure that evil is by introducing greater restriction. Surely the way to cure that evil, if there be any evil, is by a process of public discussion, education, if you like, and public information as to what it is that parliament and the country desire the courts to do—

Mr. McIlraith: And the hiring of good counsel.

Mr. Fulton: And the hiring of good counsel, yes—in the way of making the punishment fit the crime.

Mr. McIlraith: Mr. Chairman, however desirable the objectives indicated by the hon. member who moved the amendment may be, I think the amendment put forward by him does not achieve those objectives, not only for the reasons indicated by the minister but for another reason. The hon. member would set up a whole new procedure for a trial after conviction to determine the matter of sentence, and there is a great deal of obscurity about the criteria to be used in some of the phrases in his amendment.

It seems to me that we can achieve a much sounder administration of justice if we leave the imposition of penalties to the judges who are charged with the responsibility under our law of imposing such penalties and that the amendment the hon. member for Skeena has put forward might very well defeat the purpose he has in mind. For these reasons, which I admit are purely legal, I feel that for my part at least I will have to oppose the amendment.

Mr. Howard: Mr. Chairman, I think the attitude of both the Minister of Justice and the member for Ottawa West is commendable from the point of view of the expression of their appreciation of the failure of the courts to take into account the full impact of the anti-social, as the minister put it, actions of some of the corporations that have engaged in these illicit practices and have been found guilty and fined. Rather than to insist that wording of this sort be contained in the

legislation, it was my primary purpose to have some base upon which to found a brief discussion of the attitude of the courts on these matters.

I appreciate, Mr. Chairman, that we are skating on pretty thin ice when we undertake to be critical of the judiciary or the courts because this is contrary to the rules of the house. If I had embarked upon critical comment as to the attitude of the courts in levying fines in past cases I would be contravening the rules and would be out of order and so would others. Therefore I preferred to draft an amendment around which a discussion could be centred in order to point up the fact that in my opinion the courts have been overly lenient in past years and have had a tendency to follow the $10,000 limit that used to exist even in respect of cases that have arisen after the change was made with respect to the fine. I think their attitude warrants some criticism.

I do not intend to press this matter to a vote. I thought I might provoke some discussion at this stage. I would be prepared to withdraw the amendment if that is agreeable. It does not matter one way or the other to me. If I cannot withdraw it I naturally intend to vote for it, but my primary purpose was to evoke a discussion of this nature. I think the Minister of Justice and the hon. member for Ottawa West more or less agree that there must be a change in the attitude of the courts with regard to infractions of this kind. Penalties should be more restrictive than they have been in the past thus providing a greater deterrent to illicit practices. It may be that our discussion of this matter will tend to influence the attitude of some of the otherwise reluctant judges.

The Deputy Chairman: Will the committee give unanimous consent to the hon. member to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. McIlraith: I wish to ask one question for clarification having to do with the penal part of section 32 (1). I have particular reference to lines 28 and 29 where it says that every one is guilty of an indictable offence and is liable to imprisonment for two years who conspires, combines, and so on. That subsection is taken from section 411 of the Criminal Code, but as section 411 of the Criminal Code is now repealed by this bill we therefore have to rely on this legislation for the penal provisions. My question is this: Most of these offences are committed by corporations and the Criminal Code deals with the matter of imprisonment and, where imprisonment cannot be imposed, fines in lieu thereof. Is the minister satisfied that the provisions mentioned merely for imprisonment are sufficient in a statute that is not part of the Criminal Code? I must say I am not familiar with the relative sections of the Criminal Code and I have not had an opportunity of looking them up since noticing this point. Perhaps if the minister wishes he could let that stand for later check.

Mr. Fulton: No, I think the relevant provision of the Criminal Code is section 622 which provides that where a person is convicted of an offence punishable with imprisonment for five years or less, he may be fined in addition to or in lieu of any other punishment that is authorized. If this section is taken together with the relevant provision of the Interpretation Act, plus clause 22 of this bill which has the effect—no, I am advised that perhaps I am not on sound ground in citing clause 22—but if section 622 and the subsequent sections of the Criminal Code are taken together with section 28 of the Interpretation Act, they have the effect of taking care of the matter with which the hon. member is concerned.

Mr. Chairman, I had in mind discussing briefly the question of the amendment with regard to export trade. Since I take it that the committee has at this time exhausted the questions it wanted to ask with respect to subsections 1, 2 and 3 of this section, perhaps I could go on now and discuss that matter briefly. Members of this committee will recall that many of the submissions before the banking and commerce committee concerned themselves with the present position of industry in Canada engaged in export trade. I believe that we have all received representations to the effect that, in the light of the current position in international trade, the situation of Canadian industry is declining and that there is the necessity of making some change in this legislation to allow industry to arrest that decline and to restore and improve its position.

It was represented to us that the concern of Canadian industry arises from a number of factors. The fact that we are a high cost economy is probably one of the less important in this context, although it was mentioned and certainly must be borne in mind in any assessment of the position of Canadian exports. More important, and I think more realistic in this context, are two other facts. First, whether we like it or not, in international trade there is a tendency toward association or cartelization, and whether we like it or not this is

the situation within which our industry must compete for markets in international trade.

Second, and even more imponderable but I think even more serious, is the fact that in international trade we are now coming into a situation where we are faced with the massive communist organization, represented by the Union of Soviet Socialist Republics, as a competitor and increasingly this great force is entering into international trade with the whole weight of the state behind it. This state organization is prepared to do anything to obtain markets for its exports and to eliminate markets for exports from other countries, particularly the western world with which, ideologically, the soviets are in conflict.

Our industry has demonstrated, I think to the satisfaction of most members of this committee, that the combination of these various factors has produced for them in the export field a situation in which they are increasingly unable to be successful unless they are also given an opportunity for organization in that field. They have represented to us that if laws are retained in all their rigidity which certainly raise a very real question about, the legality of the right to organize in export trade, then they are going to be at an increasing and permanent disadvantage. I do not believe, that anyone who listened to those representations, and especially any member of the committee who seriously coinsiders the matter, would quarrel very gravely with the general effect of what was said. I doubt if anyone would question that there is a real, serious and difficult problem for our industry in the export markets.

The problem, rather, is one of disagreement on the desirability of doing something to remedy the situation, one of finding some method of amending our legislation so as to make it clear that what may be done in the export field may be legitimate but must not be allowed to spill over and have adverse effects on the domestic economy. However concerned we may be about the welfare of our industry in the export field, it still remains the primary concern of all of us to protect the interests of the Canadian consumer at home. The problem has been, therefore, to find an amendment which would take care of the situation in the export field and yet not open the door under that umbrella, as it were—there is a mixture of metaphors—to abuses in the domestic field.

In the course of the discussion before the committee I indicated this concern. I indicated that we were studying the problem. I made reference also to the fact that there is before the restrictive trade practices commission at the present time an inquiry into a situation in British Columbia in which this very problem was before the commission. I felt it might be wiser to wait until we received the report of the commission because I felt that they must address their minds to the very problem I have outlined of how to reconcile these two possibly conflicting tendencies. However, representations were made with increasing urgency and the committee members were obviously very much concerned about it and impressed by those representations.

The hon. member for Bonavista-Twillingate, when we were considering the bill clause by clause in the committee, moved an amendment designed to have the effect of directing the attention of the court to a possible defence on a charge under this act that what was done was done with primary concern and effect in the export field. I asked the committee to bear with me in my position, stating that I was unable to accept the amendment because I had not had a chance of assessing its implications. I felt it was too general in its terms and might have the very effect about which I know the hon. member would be concerned, as well as I, and that is opening the door too wide and permitting abuses domestically under a provision which we had intended to have effect in the export field.

The hon. member for Bonavista-Twillingate indicated he appreciated my position but was unable to agree that he should withdraw the amendment. He, therefore, pressed it to a vote in committee and it was rejected by the committee. It was rejected, however, on the basis of my undertaking to give this matter further study in the interim between that time and the time when the bill would be reported back to the house, to see if notwithstanding my concern about our action being possibly premature until we had received the report of the commission, I could nevertheless in discussion with my officials and my colleagues find an amendment which we felt would be safe.

The result of this discussion has been that we have been able to devise an amendment which I believe will accomplish the result of making it clear that arrangements entered into by Canadian industry, having effect exclusively with relation to their activities in the export markets, may be exempted from the operation of this act, provided again that they do not have the indirect result, whether intentional or unintentional, of producing a disadvantage to Canadian consumers.

The scheme of the amendment is as I have indicated previously, in line with the scheme of subsections 1, 2 and 3 of the section we are at present discussing and it will become clear, I think, if I read the amendment which I am going to ask my friend, the hon. member for Burnaby-Richmond to move, if he will be kind enough to do so. It is:

That clause 13 be amended by adding the following subsections as subsections 4 and 5 of section 32:

(4) Subject to subsection 5, in a prosecution under subsection 1 the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to the export of articles from Canada.

(5) Subsection 4 does not apply if the conspiracy, combination, agreement or arrangement

(a) has resulted or is likely to result in a reduction or limitation of the volume of exports of an article;

(b) has restrained or injured or is likely to restrain or injure the export business of any domestic competitor who is not a party to the conspiracy, combination, agreement or arrangement;

(c) has restricted or is likely to restrict any person from entering into the business of exporting articles from Canada; or

(d) has lessened or is likely to lessen competition unduly in relation to an article in the domestic market.

I think that the amendment which has been previously circulated to several hon. members of the committee will speak for itself without too much amplification from me. However, I should like to refer briefly to the content of subsection 5. Having, as I said, by subsection 4 of the proposed amendment made it clear that in general a charge under this act may be defended if it relates to activity or arrangements concerned with the export of articles from Canada, we have then thought it necessary to ensure that the possible ways in which this might spill over and have an effect domestically be outlined so that it could be made clear that if it did have those effects then the defence that this arrangement related to exports is no longer open or is not successful.

So we have said that the defence does not apply if the arrangement results in any reduction or limitation in the volume of exports of an article.

The reason for this is that since industry says—and we accept this basis of their case—that they are concerned in increasing their success and increasing the volume of Canada's export trade, we think it would be most unsound for us to leave them an umbrella under which they might in fact make merely a comfortable arrangement by which they establish their position based upon present demand for sales in the export market but do not bother to compete for an increased share in it. That is the reason for (a). The arrangement must not be allowed to freeze or decrease the volume of exports from Canada.

Under (b) the defence will not be open if the arrangement injures or is likely to injure or restrain the export business of any competitor of those who are parties to the arrangement. If we do not provide that, it might be the case that unscrupulous persons would be able to make their own arrangements in the export field, under the protection of subclause 4, and then having worked out a comfortable arrangement say this: We are not going to have competition; we do not like you so you must stay outside. Then ultimately they would be able to drive that person out of competition at least in the export field if not indeed in the domestic field.

In the third place, the arrangement must not be allowed to operate if it restricts or is likely to restrict any person from entering into the business of exporting articles from Canada. Again, the object of this protection is to encourage industry in export and to enable them to improve their position. Therefore it must not be allowed to be used by them to prevent somebody else from getting into this field because that would have the opposite effect to the purpose for which the protection was designed.

Finally, it must not be allowed to operate or they must not be able to get protection under it if in fact the result of their arrangement is to lessen or is likely to lessen competition unduly in relation to an article in the domestic market. I think that last paragraph speaks for itself. I do not think there is really much necessity for me to elaborate further on the need for such an amendment or the justification for it.

If I have seemed reluctant so far to commit myself to an amendment in this field, it is for the reason I gave earlier in the committee and elsewhere, namely that it is a complicated field and the reconciliation of the conflicting interests in export and domestic fields is difficult. We have a commission working on the matter now. It could be argued that we might be wiser to wait until we have the assistance of their report. But in view of the urgency with which the problem has been presented to us—and I think I would be right in saying the degree of unanimity of hon. members on all sides in recognizing the problem and urging a solution—for these reasons I felt I could take the risk or was justified in taking the risk of recommending to the committee this amendment under which we believe the position of our industries in the export trade can be greatly improved and their competitive position put on a basis of greater equality with the forces present in the world today with which they must compete.

I should like to express appreciation to all hon. members who have spoken on the subject and have made a contribution in suggesting solutions. I am happy now to have an opportunity of asking the hon. member

for Burnaby-Richmond to move the amendment formally because he has worked quietly, I know, but most effectively, consistently and conscientiously on this committee. I say again, finally, that he has kept up a fairly steady pressure along the lines that surely it is not beyond the ingenuity of the government and its advisers to find a solution to this important problem.

Mr. Drysdale: Before moving the amendment, I should like the opportunity to supplement perhaps and to underline some of the remarks made by the Minister of Justice. Of all the amendments we have considered in connection with this bill I think this amendment concerning the export trade is the most important one to come before the committee. In order to underline the importance of it and to put the matter in accurate perspective I hope the committee will forgive me for elaborating a little bit on at least some of the argument that was covered in the committee.

I should like to refer to monthly letter No. 5 of May 16, 1960, of the Canadian Bank of Commerce. I feel that this letter puts forward succinctly the problem of industry. On page 3 in an article under the heading "The nature of Canada's Trade", the following is stated:

> The outstanding features of Canadian trade are its immense importance to the economy and its specialized nature. By any accounts Canada is a great trading nation. Notwithstanding a relatively small population, Canada ranks by value as the fourth largest trading nation in the world, following such giants as the United States, the United Kingdom, and West Germany. On a per capita basis, of course, Canada relies more heavily than even these nations on foreign trade. Although the importance of foreign trade has diminished with more broadly based development, commodity exports still account for 15 per cent of the gross national product, equivalent to $292 per head of the population.

In the same article it is further stated as follows:

> Exports still primarily consist of a relatively few staple products from the lands, forests, and mines, while imports cover a whole range of consumer, industrial and capital goods.

The Minister of Justice has emphasized the problem of competition from the U.S.S.R. There is also to be considered the factor of various regional trading blocs throughout the world. There is also to be considered the development by Japan and western Europe or the re-establishment of many of the markets they formerly had in North America and the re-establishment of these markets has resulted in a decline in the North American export trade.

Coming from British Columbia may I say that the matter of exports is of prime importance to me. We had briefs from three organizations, namely fisheries, forests and mines. The fisheries industries export two thirds of its products which is produced in British Columbia. The forest industry exports an average of 70 per cent of its products. In 1959, of total exports of $5,100 million, one third of those exports were from the forest industry. British Columbia contributed one-third of that amount, or some $650 million. As a matter of fact, out of every dollar earned in British Columbia some 50 cents comes from the export industry. The mining industry contributes about 40 per cent of the export trade, a total of about $1.9 billion.

The question may be asked: what was the reason for this amendment. I think it is primarily a matter of clarifying what is the situation regarding the export trade. I think doubt was raised, first of all, by the fish inquiry in British Columbia taken in conjunction with the statements made in the Howard Smith Paper case. Observations were made at that time by Mr. Justice Taschereau and Mr. Justice Cartwright that once it had been established that a conspiracy had been undertaken there was no power to proceed to determine whether or not it was to the economic detriment of the public. I feel that in view of these doubts and in view of the strong briefs put forward by industry it is important that this amendment should be inserted for the purpose of clarification.

I feel that economic competition is more insidious and more dangerous, perhaps, than the threat of nuclear war, because economic competition can destroy a nation without any physical evidence. I feel that at the present time Canada is on the verge of a tremendous economic struggle and I think it is important we should clarify the position of our exporters who are facing the competition of international cartels so as to enable them to fight this economic battle on the same basis as their competitors.

In the United Kingdom, in corresponding legislation, the public interest is taken as the keynote. But it has also been considered to be in the public interest to make sure that export traders do not compete with each other to the detriment of the export situation in which they are involved merely to facilitate the situation with regard to the domestic market. I feel that this amendment permits the export trade to make arrangements to meet the competition of international cartels. The public interest is also the keynote here, and I feel that domestically both the producer and consumer are protected by the amendment. I therefore move the amendment to which the Minister of Justice has referred.

Mr. Pickersgill: I was interested to hear the Minister of Justice say that the hon. member for Burnaby-Richmond who has

moved this amendment had been persistent and conscientious. I do not remember all the adjectives which the hon. gentleman used, but they were all complimentary. But there was one adjective he used which strained my credulity to the breaking point, and that was when he said that the hon. member had done this quietly. Anyone with experience of the hon. member for Burnaby-Richmond knows that quietness is not one of his outstanding characteristics, though we do not like him the less for that.

I want to say that, notwithstanding the credit given to the hon. member for Burnaby-Richmond by the minister for achieving what has been achieved so far as this matter is concerned, with my accustomed modesty, I take a little credit to myself for it, because I, too, was very persistent at the very last meeting of the committee. I want to thank the members of the committee and the chairman—and I have not thanked the chairman for much—for postponing the final session to enable me to get back to Ottawa from an urgent engagement elsewhere so that I could put forward an amendment which, I think, finally brought this matter into focus in the committee and ultimately in this chamber. I should like to put the terms of this amendment on record so that they may be compared with the terms of the amendment which is now before us. It reads as follows:

That clause 15 be amended by inserting "(1)" after "35", and adding the following subsection: "(2) In determining whether any offence under section 32 or 33 has been or is being committed, the court shall consider the best utilization of Canadian resources to meet the requirements of the export trade and the development of markets outside Canada."

Before I moved that amendment I considered the possibility of moving an amendment to section 32 and the only reason I did not do that was that one of my hon. friends intended here in committee of the whole to move that subsections 2 and 3 be struck out of section 32. It seemed to me that in order to avoid confusion it would be better to amend section 15. However, since the government has persisted over our opposition and over the opposition of the C.C.F. in retaining subsections 2 and 3 it seems to me there is no reason why these other two subsections should not be included.

Here I wish to tell the Minister of Justice that I do not regard the amendment he has brought forward today as being on all fours with subsection 2 at all. Subsection 2 purports to declare that certain things which never have been against the law are still not against the law. But I think there was a genuine doubt in the case of certain combinations to promote exports, and I think we are really legislating, if we adopt this amendment, in a substantive way. It is true, I think, that in the history of prosecutions under the act no combination entered into solely for the purpose of promoting exports has ever been the subject of prosecution. I am not certain, but that is my understanding. The only case that has arisen is the one which is before the commission at the present time where perhaps some other factor is involved. I do not believe I should prejudge that by expressing an opinion; I am merely seeking to identify it.

I must say at once that I think the amendment which has been drafted by the minister and his officials is a much better amendment than the one I offered in the banking and commerce committee. However, to use a phrase which appears in this bill, I am not disparaging myself when I say that, because I did not have the technical assistance that the minister had in this matter. I have looked at this amendment carefully and while it would be easy to pick holes in it, as it would in almost any legislation, I think that generally it does do what we were seeking to do in the committee. I think it does avoid the pitfalls which the minister thought existed in attempting to do what we were seeking to do in the committee.

I am gratified, as I am sure my hon. friends who were in the committee will be, that the government has seen fit to act now instead of waiting to see what might happen in this case before the restrictive trade practices commission because I think, as the hon. member for Burnaby-Richmond has said, that we are not only just now but at least as far ahead as we can reasonably foresee in human events facing very great difficulties in our export trade of a kind that have not been faced to any extent since the war. There has been a shift in the world economy from a shortage to what may perhaps be described as a superabundance of supply in many lines. I think, too, that the methods of trading not merely of Soviet Russia and red China but of many other countries in addition to the communist countries are undergoing profound structural changes that are going to make our problems very much more difficult.

I believe we are going to require all the ingenuity and skill that we possibly can exert if we are to keep the place in the export field that we have to keep if we are going to continue to live with a Canadian standard of living. If this amendment is adopted, as I feel sure it will be, I think it will be one thing that we in parliament—not just on one side or the other but we in parliament—have done to recognize and do what we can in the law to meet a very urgent and critical problem for our national future.

We heard the representations of the associations before us representing three of the great exporting industries that export in a so-called private way. I refer to the fishery, the forest industry and the metal mining industry. The hon. member for Burnaby-Richmond has emphasized their importance to British Columbia. Of course, they are important to British Columbia which next to Newfoundland, I believe, derives a higher proportion of its total income from exports than does any other province. Of course, Newfoundland has to export everything it produces except what is consumed within the province because people on the mainland of Canada have not yet been educated to buy and use our products. For anyone who has a real familiarity with the export business—and what Canadian who keeps his eyes open has not—its importance is clear. Where would Ontario be without its paper mills, it mines and its other export industries?

I am glad to note one deficiency in the minister's amendment about which someone might complain although I am not. I noticed that (d) part of the proposed subsection 5 states:

—has lessened or is likely to lessen competition unduly.

It does not say "has lessened or is likely to lessen supplies unduly". I am very glad the minister left that out and I hope he did so consciously. I think there may be times when it is in the real interest of Canada and even in the long term interests of Canadian consumers to do without something temporarily, perhaps, in order that we can maintain an export market the loss of which would have the effect of reducing the general standard of living and perhaps extinguishing the income of great numbers of Canadians.

While I am sure there will be, as there always is in human affairs, difficulties found in this amendment in some ways, it seems to me that on the whole—and I wish I could say this about the legislation generally, but I am afraid I cannot—in this particular operation, spurred on by the representations of Canadians outside parliament, by members of the opposition and by the hon. member for Burnaby-Richmond, the government has done a competent job.

Mr. Howard: I am reluctant to throw cold water on this idea in view of the highly charged emotional atmosphere but I renew my request to have the minister consider whether this proposal should stand over.

I do not know whether we will finish our consideration of this bill today. Despite the one-hour luncheon recess there has not been sufficient time for hon. members who are interested in the matter to thoroughly study the proposals of the minister. I had an opportunity to briefly examine the amendment during the lunch hour and while sitting in committee but it is difficult because of my participation in the debate and I am sure the hon. members for Bonavista-Twillingate and Ottawa West are in the same position.

The hon. member for Bonavista-Twillingate said it is easy to find loopholes in any amendment or piece of legislation but I propose to point some out, not to be critical but to illustrate conflicts between the amendments and other portions of the bill, and this may add weight to my request that the matter stand over.

A small conflict exists in paragraph (a) of section 5 and I raise this for the purpose of uniformity. Instead of referring to "volume of export" why not refer to "quantity and quality" because those words are used elsewhere in the bill and elsewhere in this section in relation to production. Why must we make reference to the business of any domestic competitor in paragraph (b)? We have no jurisdiction over competitors outside Canada but why are the words used? There is a conflict in paragraph (c). Why not follow the same wording used in subsection 3 of section 32 where reference is made to entering into or expanding a business in trade or industry.

The amendment does not make clear the position of a Canadian company that has an arrangement with an international cartel, let us say for argument's sake, that allows the entry into Canada of articles produced by a competitor of the person who is a party to the cartel and through which it could injure others. This outlines my original thought in so far as subclause 3 is concerned.

I point out there is another clause which is going to require a consequential amendment. I refer to clause 9 of the bill, which has been stood over. This clause has to do with the restrictive trade practices commission and provides that it shall find certain things, namely whether a conspiracy, combination, agreement or arrangement has lessened or is likely to lessen competition unduly in respect of one of the matters specified in paragraphs (a) to (d) of subsection 3 of section 32. Would it not be necessary to give the restrictive trade practices commission authority to find whether the activities of such an arrangement had any relationship to, or effect on subsection 5 as proposed?

But this is not a consequential amendment. Therefore, apart from arguing the validity of this amendment at the moment,

I think, Mr. Chairman, in view of the wording which has just been introduced and hon. members not having had the time or the opportunity to study its full implications, the better course to follow would be for the minister to indicate, now that he has moved the amendment and we have had a general expression of opinion on it, that this proposal might be held over until hon. members in all parties have had an opportunity thoroughly to study the possible implications and effects of the proposal.

Mr. Pickersgill: I should like to second the suggestion made by the hon. member for Skeena. I think it is a reasonable one. I think we shall make better progress if the minister would be willing to stand over the proposed section 32 for the time being and go ahead with section 33.

Mr. Fulton: Mr. Chairman, I certainly do not like to be un-co-operative with the committee which has been very co-operative so far. However, I make the observation that the comments of the hon. member for Skeena, and indeed those of the hon. member for Bonavista-Twillingate, do not indicate to me that they have not yet had the opportunity to make a thorough study of this proposed amendment and its implications. I have been asked a number of quite detailed and searching questions to which I think I can give satisfactory answers at the moment. I think both hon. members are being too modest both on their own behalf and on behalf of their colleagues; but still it is an important amendment and the request is not an unusual one. I think I would be glad enough to accede to it. Would hon. members like to carry subsections 1, 2 and 3 of section 32, leaving this to stand?

Mr. Pickersgill: As far as we are concerned I give an undertaking that we will not reopen this section at all. If the minister will allow the matter to stand it will be only for the purpose of discussing the new amendment.

Mr. Howard: It is not our purpose to reopen discussion on sections 1, 2 and 3, if this is allowed to stand. I merely desire to indicate that we may have something to say on section 32 in its entirety or we may have a review of the proposed subsections 4 and 5, but we do not intend to reopen subsections 1, 2 and 3.

Mr. Fulton: On that understanding, I would be quite happy to have the whole clause stand, including the amendment now before the committee.

The Deputy Chairman: Shall section 32 stand?

Clause stands.

The Deputy Chairman: On section 33, mergers and monopolies; shall the section carry?

Mr. Pickersgill: Not for a moment because there is something about it that I think the minister ought to explain. As nearly as I have been able to do, I have examined the parent section, if I may put it that way, from which this comes, and there does appear to be a change. This section reads:

> Every person who is a party or privy to or knowingly assists in, or in the formation of, a merger or monopoly—

In the old legislation it read, "in the formation or operation of". I wondered why the words "or operation" had been taken out?

Mr. Fulton: Because we think they are covered by the words "every person who is a party or privy to or knowingly assists in, or in the formation of, a merger or monopoly". There are alternatives: "assists in a merger or monopoly" or "assists in the formation of a merger or monopoly"; therefore, we think "operation" is covered by the first alternative.

Mr. Pickersgill: I think probably the minister is right about that. This is the only query that bothered me.

The Deputy Chairman: This section is carried. On section 33A, illegal trade practices. Shall this section carry?

Mr. Howard: There were amendments made in the banking and commerce committee that had to do with the grammatical construction of this section. The discussions we had in the committee and the amendments cleared up satisfactorily the point raised by the hon. member for Bonavista-Twillingate and expanded upon by my colleague from Port Arthur. I must admit that once they got involved in a detailed discussion of the grammatical structure of the sentences I gave up; it was a little beyond my capacity to appreciate the fine points of grammar, although now when one reads the amended section and the original, perhaps the amended section makes more sense.

However, there is another matter which I should like to talk about and it is the price discrimination section, which we dealt with quite extensively in the banking and commerce committee and to which I moved an amendment which was defeated. I intend to follow the same course here and to move a similar amendment in order to get a better opportunity perhaps to make my arguments and to get additional opinions.

This section was formerly section 412 of the Criminal Code and so far as we were able to determine no cases whatsoever had been instituted under this particular price discrimination section. Substantially what section 412 of the Criminal Code and this proposed 33A purport to do it to prevent one person from discriminating against a purchaser of his article by selling it at a lower price to one person than to another. Put in an uncomplicated way that is what it means. As I say, the intent of the words and the ideas behind them perhaps have more validity and sound pleasant. In my opinion there are two words in subparagraph (a), namely "and quantity" which permit price discrimination to be practised, and yet do not fall within the prohibition of this particular section. It reads:

> Every one engaged in a business who
> (a) is a party or privy to, or assists in, any sale that discriminates to his knowledge, directly or indirectly, against competitors of a purchaser of articles from him in that any discount, rebate, allowance, price concession or other advantage is granted to the purchaser over and above any discount, rebate, allowance, price concession or other advantage that, at the time the articles are sold to such purchaser, is available to such competitors in respect of a sale of articles of like quality and quantity.

This, of course, indicates that if a person allows a 10 per cent discount to one purchaser, then for the like quality and quantity of articles sold be must allow a 10 per cent discount to any other purchaser. If he gives a rebate to one of the dealers to whom he supplies articles, then for like quality and quantity he must allow the same rebate to another purchaser or to a competitor of the person who made the first purchase. These prohibitions are to ensure that manufacturers, wholesalers or distributors cannot and should not be allowed to pick and choose among retailers who sell their products and give one a price advantage over another in order that the one person will be driven out of business to the advantage of the one who is the favourite of the wholesaler or manufacturer.

I submit, though, that the words "and quantity" in paragraph (a) are the salient words in the case of a person who wants to engage in price discrimination. If the quantity of the product in the sale is different, it is very easy for a person to discriminate with respect to rebates, discounts, allowances or price concessions. The matter hinges on the different quantity of articles sold and thus there can be discrimination and the section can be evaded.

There is a similar provision in the United States law which was enacted about the same time as our statute but there is a difference in the United States law compared with ours. The United States law is commonly referred to as the Robinson-Patman act or amendment and it is found on page 75 of a book entitled, "Anti-Trust Laws and Amendments, 1890-1959", which is published by the United States government printing office. It contains the Sherman act, the Clayton act, the federal trade commission act and amendments, the export trade act and so on which compare with our Combines Investigation Act.

There is one section in their price discrimination law which I think should commend itself for consideration by the committee. I will not read the entire section because it is rather lengthy. Substantially it is the same as that part of our section 412 which I have just read and which will now be 33A. It provides that price discrimination shall not be engaged in and then it goes on to say:

> Provided, that nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the different methods or quantities in which such commodities are to such purposes sold or delivered.

The United States law provides that you shall not discriminate between competitors by way of price concessions, rebates, discounts or by giving any other advantage but it also says that if there has been a saving in cost in producing a different quantity of the article there can be discrimination through reflection of that saving in cost in the selling price to the individual.

For argument's sake, and I think this is quite correct, if a manufacturer has an order for the production of 100,000 articles he can produce them at a lower cost per unit than he can produce 5,000 articles of the same type. Normally that is so as far as distribution and packaging are concerned. A larger quantity of goods packaged and distributed results in a lower unit cost for packaging and distribution than for a small quantity.

The Robinson-Patman act of the United States says—I think it is called the cost justification factor—that under such circumstances you can reflect the saving in the cost of manufacture, production or distribution in the price at which you sell this quantity of goods. The saving you make in producing a larger quantity of goods can be reflected in the price at which you sell those goods. The United States law is to that extent different from our law.

We inquired about this matter in the committee when the minister and Mr. MacDonald, the director of investigation and research, were there as witnesses. As found on page 709 of the proceedings of the committee, No. 12, there is some discussion of this matter. Perhaps I should read it in its entirety to show what I am getting at. I hope

I will not misinterpret Mr. MacDonald's remarks. As found on page 709 there is the following passage:

Mr. Howard: May I ask if Mr. MacDonald knows what the activity has been under the Robinson-Patman act of the United States, which covers this same sort of ground in its price discrimination section—I think it is 3; may I ask if he knows what the activity has been in the United States under the anti-discrimination section, the present section?

Mr. MacDonald: There has been quite a lot of activity in the United States under that section of the Clayton act which is familiarly known as the Robinson-Patman act.

Mr. Howard: Do you know why this might be so? Is their legislation different to ours?

Mr. MacDonald: There is a difference between the two pieces of legislation, yes.

Mr. Howard: If our act clearly followed the wording of the Robinson-Patman act do you think we would perhaps be in a better position to pursue this problem here, or might there be more complaints arise?

Mr. MacDonald: What is that?

Mr. Howard: Do you know whether there might be more complaints arise?

Mr. MacDonald: I am inclined to think there would be more complaints.

As I say, I hope I am not misconstruing or misinterpreting what Mr. MacDonald meant, but I took that to mean that we have had no prosecutions under our price discrimination section and that some complaints have been brought to the attention of the director. I do not know how many. Perhaps the minister can ascertain how many there have been and whether there has been a relatively large or small number of complaints about price discrimination activities. It would seem that in Canada there has been relatively little activity under this section whereas under the Robinson-Patman act there has been quite a bit of activity.

I submit that the reason for the greater activity and the more effective manner in which the United States law deals with this question is that the cost justification factor is reflected in the United States law. It is notable that we say that a person shall not discriminate between competitors as to price with regard to like quality and quantity whereas the Robinson-Patman act says substantially the same thing except that it provides that there can be discrimination as to quantity but that discrimination must reflect savings resulting from producing or distributing a larger quantity of goods.

I am of the opinion that this is one of the reasons why there is some complaint on the part of small businessmen with respect to loss leaders. I submit that many retailers, because they see a competitor selling goods at a price lower than they are able to sell them think that the competitor is thereby loss leadering and selling below the invoice price. But in many cases it could well be that the second person has received special discounts or rebates from the supplier, thus permitting him to sell at a lower price and a price which is, in fact, above that individual's own invoice price, but his invoice price is lower because of the price discrimination than the invoice price of his competitor across the street. This is where some confusion arises. The fact that this price discrimination is taking place and does take place has not been taken into account by the words "and quantity".

I am of the opinion we should make an alteration in that regard. I feel we should import from the act in the United States the reference to cost justification, and word it so that it is in compliance with the various parts of our own act. This only requires a very slight change from the wording of the Robinson-Patman Act, which uses the word "provided". We, in drafting our legislation, have used the word "except" in place of that and there are one or two other alterations that would have to be made. Otherwise, the wording of the amendment I am about to move is the same as the wording of the Robinson-Patman Act. I move:

That paragraph (a) of subsection 1 of section 33A of clause 13 be amended by deleting in line 21 thereof—

This reference is to the old bill, Mr. Chairman, and it may not be the same line in the new bill.

—the words "and quantity;" and substituting therefor the following:

"except that nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such articles are sold or delivered to such purchasers;"

When this amendment was moved in committee there was some discussion as to whether it did, in fact, get to the core of the problem and whether or not some other words might be more acceptable. I looked over the arguments which were advanced in committee in opposition to this particular amendment, but was not able to draft an amendment that was worded more succinctly than the one I originally moved, and which I copied from the United States law. I still believe that this is the way to tackle this question of price discrimination. I know the minister has had far more experience in this field than I, and in addition he is an experienced member of the legal profession. He has within his branch a staff which has spent years and years in drafting amendments to legislation. Perhaps if the amendment in its present wording is not acceptable, although I am sure the principle is acceptable, the minister might indicate whether or not

the question might be tackled in somewhat the same way as the export question. If the wording is acceptable, it gets to the core of the problem which I know exists, which I am sure the minister knows exists as does everyone engaged in business. Then we will have a much more effective piece of legislation in the field of price discrimination than we have at the moment.

Mr. Fulton: Mr. Chairman, this point was discussed quite fully in the other committee. It was considered on two occasions there, and I am not really sure of the extent to which it is appropriate for me to go in this committee in dealing with points which were fully discussed in the other committee. If there are new points or variations of points I feel it is my duty, without question, to assist the committee so far as I can by discussing them fully. There have been several such instances of merely considering what was fully considered and decided in the banking and commerce committee. I really believe we should begin to review the situation. I am reluctant to spend a great deal of time on such points.

However, I am aware of the keenness with which my hon. friend from Skeena entertains this point of view. I am certainly not going to brush this matter aside by saying it was decided in the other committee, and leave it at that. I have to say that I have not been able to bring myself to change my point of view since the problem was discussed in committee, at which time I said this was a far-reaching change, having consquences in a very large area of Canadian industrial and economic life which I would not consider it appropriate to import into our legislation at this stage in the consideration of the bill, without a further detailed study and discussion with all those concerned.

In addition to this question of whether it is prudent and wise to do so at the present time without further consideration, I feel I should remind the hon. member that, although it is true that in the United States they do have this cost justification principle, it is criticized there by some who hold very strongly to the view that its effect is to introduce price rigidity, in the whole system and that as a result of this rigidity, consumers in some areas of activity are deprived of price reductions they might otherwise have. This is by no means a one-sided argument. I know there are arguments such as those that the hon. member has made to the effect that the principle in our legislation is not complete, not adequate, but there are very strong arguments that are made that the principle in the United States legislation goes too far and produces results which are undesirable.

In addition to that, may I remind the hon. member for Skeena and the committee that in the report on discrimination pricing practices by the restrictive trade practices commission they found that the largest area of discrimination was in the field of special allowances, such as promotional allowances, rather than in the field of price discounts.

This is a summary, I realize, but I do not believe I could do anything more than merely amplify what I have said if I took more time. It is for these reasons that I oppose the inclusion of the amendment suggested by the hon. member for Skeena.

Mr. Small: I should like to say a few words on this subject, not necessarily in support of the amendment but more in the way of obtaining clarification and interpretation. During the last week or so I have had discussions with an organization in my riding called New Era electrical appliances. They are also in the furniture business and are a retail outlet for the selling and servicing of electrical appliances. This firm is greatly disturbed by the situation which confronts it. This situation has to do with the setting of prices, and the matter about which they complain comes under the heading of promotion. It is not just undue competition from other people in business. Other firms in this retail business have the same complaint.

This organization being a large organization is running into a considerable amount of unfair competition as a result of the practice of contractors being given certain prices which other people are not given. I have been telling these people that there is a provision in the law that will give them relief from this situation, but the firm's legal advisers say that is not the case. The situation about which they complain does not arise from competitors in the same business but from special discounts given to builders and contractors, subdividers and builders of apartments. These people get special prices on refrigerators, electric stoves and other appliances, sometimes as much as $40 below the regular price to the retail merchant. They are not complaining about that if the consumer gets the benefit. But they themselves cannot get a lower price. They buy the same quantities or the same amount, as contractors, yet the price that the manufacturer gives—not necessarily one because they are different manufacturers—was equally in their favour.

But when they find that they cannot buy at the price a builder or a contractor pays, they are rather disturbed about it.

One of the individuals made a good explanation of what he had in mind but because he was quite upset about it, it was an obsession with him. The conduct of the

manufacturers, if it is not unethical, it is unfair. It is unjust to the merchants who are selling these appliances and are giving service on them. It is unfortunate for them that they did not bring this before the combines committee when they were discussing these matters. However, I told them I would probably have an opportunity to bring their case before the house.

The situation that they are complaining about is this. The builders and contractors are able to buy at a level at which they are unable to buy; they are able to buy at a much cheaper price. They want to know why they cannot be extended the same advantage so that they can pass it on to the consumer.

It is not a question of raising the price or of loss leaders. It is a question of ethics and unfairness. I do not think the manufacturers would be very proud of the situation. As was pointed out by the hon. member for Skeena, what they have established is another level at which to sell and which is unfair. It is not a matter of giving a competitor a lower price but it is a matter of establishing another level altogether with the builders and the contractors. Even though there is a difference of some $40 they do not complain about that. They say that is perfectly all right as long as they have the same opportunity to get the same price to be able to enter into competition with them. They claim that they cannot go to court over it because they have established these different sales levels that they claim are unfair. I should like the minister, if he can, to give a clarification in interpretation of the matter.

Mr. Fulton: The hon. member mentioned this case to me briefly a few days ago. At that time I said to him that without having the full facts I would not care to express an opinion one way or another. I suggested that he might get those who were complaining to him to bring their complaints to the attention of the director of the combines branch and that with all the facts available to them we could see whether there is an offence or whether there is an indication of an offence under the existing legislation or, if there is not an offence covered by the existing legislation, then we could see precisely and in detail the implications of what he has outlined and discuss whether we should take the opportunity of suggesting an amendment.

At the present time all I can say in addition is that our legislation does make it an offence for a person to sell goods to competitive purchasers at different prices or with differing price discounts for sales of the same quantity and quality of goods, as a practice. These are the facts that would have to be established. If they are established there is a prima facie case of an offence under the section. I am not able to say and I would be very unwise to try to say whether on the basis of the necessarily brief outline with which I have been supplied so far there is an indication of such an offence. I can only try to indicate what the section in general provides and then suggest that those complaining that they are victims of an offence should send full information to the branch.

Mr. Small: I might add that they were so greatly concerned about this matter that they went to another city. They had an option on some land such as a subdivision and they called on manufacturers. I will not name them. They are all in the same category. He did not say very much because he did not have time to go into detail. But he did indicate that he was a builder and that he had just recently gone into business, that he had purchased so many of these units, not from the one company but from different ones, 50 here, 20 there and 2 or 3 some place else, established different categories. He purchased them at very low rates because it was going out to the contractor but they had to be delivered to a lot. That was a simple matter. He had them delivered to the lot and he took them to his place.

But he did establish that there was a different level on the sale from what you would call the price to the one that was purchasing electrical appliances. That was the basis of it. I thought he had a good case. The legal advisers claim they thought he would not have a clear case or a prima facie case to go before the courts. I forgot to submit this to the minister but I will submit a statement of the case if that is necessary. I told them that as far as the law was concerned, I would have the matter clarified. Fortunately this just happened in a conversation with them yesterday. I said I would have a chance to bring the matter before the house but I did not think it would be this soon.

Mr. Pickersgill: I am sure that we are all interested in the clarification of the problem that has been given to us by the hon. member for Danforth. It just shows how valuable it is to have a practical man speaking once in a while in these committees.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Howard) negatived: Yeas, 1; nays, 47.

The Chairman: Shall 33A as amended carry?

Some hon. Members: Carried.

The Chairman: Shall clause 33B carry?

Mr. McIlraith: This is a new clause. It is not just a reintroduction of a clause from other parts of the existing legislation. According to the explanatory note and to the evidence given in committee, the basis of it is the 1959 report of the royal commission on price spreads of food products. Without elaborating on the matter unduly I may say that the evidence in committee seemed to indicate that the basis for the creation of the new clause is the evidence that had come to the department from the grocery trade or the food trade. The difficulty is that the legislation is of general application to all the trade outlets and is not confined to one branch, namely the grocery trade or the practices in the grocery trade.

The difficulty in which I find myself here is in relating the general provisions of this section to all facets and types of the retail trade. It simply does not relate to some types of trade. In that connection I think I ought to place on record briefly two references made to the committee. I refer to page 27 of the appendix to the committee reports. That page contains a letter dated June 27, 1960 from the Canadian retail federation to the chairman of the committee and the part of the letter I wish to read is this:

> A number of our member-companies have told us that after consulting with their solicitors they have failed to obtain a satisfactory interpretation of the language of section 33B which would direct them as to what course of action they must follow should this section become law. It would appear that it is not possible for a retailer to know what course of action he should follow or under what circumstances he may properly receive an allowance from the manufacturing supplier.

Again at page 39 of the same report there appears a letter from the grocery products manufacturers of Canada dated July 4, 1960. The letter is signed by the chairman of the board and by one of the directors, and the sentence to which I wish to draw the attention of the committee is the last but one of the letter. After referring to the bill generally, the letter goes on to say:

> —the manner in which section 33B in particular is written creates so many difficulties in interpretation, implication and application, that it is most undesirable in its present form.

In the light of the objections expressed there I wonder if the minister has been able to give further consideration to the draughtsmanship of this particular section. I would think that this is perhaps the section to which the remarks of the hon. member for Davenport applied, as well as to other sections of the act. In any event it seems to me that a confusing situation arises with regard to the interpretation of this section, particularly when it is borne in mind that the cost of advertising in newspapers in different parts of the country differs so greatly, along with the methods used in different lines of trade. I think there is no background, no criteria against which the things can be judged. No such information has been gathered as far as I know by the commission with regard to any of these practices except in the food industry. I wonder if the minister could enlighten the committee in view of what I have said and the statements which I have quoted.

Mr. Fulton: I recognize that in the committee various criticisms were made of our proposed section 33(b). These critcisms were twofold, first that the section was uncertain in its application and, second, that since the reasons given in the bill refer to the findings of two commissions which had made studies specifically, it is true, in the grocery field, those findings were not applicable to the field of trade generally and that therefore our legislation should not be made applicable to the field of trade generally.

With respect, I am not able to agree with either of those views, at least not to the extent that I think the legislation is unsound or that it should not be proceeded with. It is a fact that it will be said of any new legislation that it is full of uncertainties. The original combines legislation was full of uncertainties, and so was the British North America Act. As long as lawyers exist there will be disagreement about the effects of statutes. As a lawyer myself I say that if there were no differences of agreement with regard to the interpretation of statutes there would be no need for lawyers—

An hon. Member: A good thing.

Mr. Fulton: But to make that as a criticism, and to say that legislation should not be enacted because its effects are not certain is to apply a particular argument to a general situation. It does not apply at all. Really what these people are saying is this: "We do not like this legislation. We think it is going to affect ourselves, and therefore we are going to criticize it on the ground that it is uncertain." With respect, I think this is the actual effect of the criticism.

With respect to the other branch of the criticism that this was drafted after looking merely at reports in the grocery field and that the legislation should not therefore be made applicable to trade generally, again I do not think this argument is a valid one. Certainly the two reports referred to—the report of the Stewart royal commission on price spreads of food products and the report of the restrictive trade practices commission on discriminatory pricing practices in the grocery

trade—were concerned primarily with the food trade, but I suggest that the reading of these reports and an analysis of the situations outlined in the reports leads to the conclusion that none of the findings is applicable only to one particular field of trade or industry alone. On the contrary, I suggest that the findings and conclusions are as valid with respect to the field of hardware distribution, or fountain pen distribution, as in the field of the grocery trade. Let me read some of the conclusions of the Stewart commission, volume 1 at page 36:

> While we think that efforts to assure informative advertising should be intensified we also attach importance to the issue of opportunity for choice and particularly the opportunity for choice offered by a reduction in price. In many instances, promotional expenditures are undertaken as an alternative to a reduction in price. The significant feature of a reduction in price is that the buyer can, if she chooses, reduce her expenditure on the particular commodity and turn the released expenditure to other things. (It is true that in some cases a reduction in price would not reduce and might even increase consumer expenditure on the commodity.) Reduction of price gives the consumer the widest possible extension of choice among the things on which she will spend the income released. In our opinion, forms of non-price promotion which substitute for price reductions are detrimental to the welfare of consumers. The extent of this activity is evidence of an increasing reluctance on the part of business firms to offer reduction in prices.

I submit that there is not a word there which is not of general application to the field of trade generally. Again, I should like to refer to one passage in volume 2 of the Stewart commission report where it is said on page 59:

> The corporate and voluntary chains have been able to draw heavily on suppliers for advertising allowances. In this way the chains have been able to pass back to suppliers part of the costs of advertising and thus to reduce the extent of these costs which must be borne by themselves: the division of costs is shifted even if total advertising costs are not reduced. The competitive position of the unattached independent store is affected in so far as these stores or the wholesaler supplying them are unable to extract the same terms from their suppliers.

I submit to you again, Mr. Chairman, that there is not a word there which is not of general application to the field of trade generally. In that light we came to the conclusion that the findings of the royal commission and the restrictive trade practices commission both supported the proposal that legislation should be introduced to deal with this kind of promotional allowance which had been found to be an unfair form of competitive device. May I also read this passage from the report of the restrictive trade practices commission's study at page 5:

> Finally, the issues which were raised by complainants in wholesale and retail trade in the grocery field were in many respects the same as those raised by complainants, primarily retailers and wholesalers, in other fields; hence the analysis that follows will deal with general problems that are common to a number of fields even though the problems may differ in magnitude and in detail from field to field.

I conclude that there is no real validity in the suggestion that this amendment is not capable of general application and should not be made of general application to industry and distributive trades generally.

I said in the committee, and I think it is proper to repeat here, that I feel that a great many of the complaints of uncertainty can be met, first, by the statement that there is some uncertainty in all legislation; second, but perhaps more importantly, by the suggestion that if people are uncertain how they are going to work out the system of making promotional allowances proportionate—which simply means fair as between those who purchase from them—well, then, it is not a bad thing to end the system of promotional allowances. I think what they are really saying is that they are uncertain how they can make it fair. If they are uncertain in that respect I suggest that the best possible course would be to refrain from granting promotional allowances so as not to be guilty of an infraction of the law.

While this might ordinarily be urged against me by way of argument as interfering with a trade practice, I would answer that at once by saying that here we have two reports, one of our standing commission on restrictive trade practices and one of a special royal commission, both of which found that the practice has in it inherent elements of unfairness and that in addition to that it had the undesirable feature that it tended to prevent genuine price reductions which would be passed on to and thus benefit the consumer.

This legislation, as I see it, will have one of two effects and possibly both. In the first place it will force those who make promotional allowances to give them fairly and thus restore the competitive position—the proportionate competitive equality—of those to whom they are granted. If it does not have that effect, then it may have the effect of discouraging the granting of promotional allowances, thus opening the door at least a little wider to the possibility of price reductions. In either or in both of those ways it will be of benefit to competition, the consumer and the economy generally.

The Deputy Chairman: On clause 33C.

Mr. McIlraith: Mr. Chairman, this clause deals with misrepresentations as to ordinary price. It seems to me there is no apparent reason why misrepresentations as to ordinary

price should be made an offence. I am curious to know why that limitation was imposed with respect to misrepresentations as to ordinary price of the article. So that we can bring the matter into focus for discussion I should like to suggest an amendment that would have the effect of striking out certain words in lines 31 and 32. The clause as amended would then read:

> Every one who, for the purpose of promoting the sale or use of an article, makes any materially misleading representation to the public, by any means whatever, concerning such or like articles, is guilty of an offence punishable on summary conviction.

In other words, once a person makes a materially misleading representation to the public concerning an article, the offence is committed. It seems to me that this wording would go farthest to protect the small retailers and would more directly meet the difficulty with which we are concerned and at which this clause is aimed. Perhaps I should now formally introduce my amendment. I move:

> That subsection 1 of section 33C of clause 13 be amended as follows: that the words "the price at which" and "have" in line 31, and the words "been, are, or will be, ordinarily sold" in line 32, be deleted.

Mr. Howard: Having prepared an amendment designed to achieve somewhat the same effect I feel it necessary to formally indicate support of the amendment moved by the hon. member for Ottawa West and for the reason he mentioned, that the offence should arise from materially misleading representations as opposed to such representations relating only to the price of an article. Perhaps I have said sufficient to indicate that this is a commendable amendment that will command our support.

Mr. Fulton: Mr. Chairman, this is a new point. Perhaps I should not comment any further than to say I am sorry it was not raised before when I might have had an opportunity to deal with it so as to dispel some of the misconceptions that there appear to be regarding this section. But it seems to me that if the amendment were accepted we would have something that really goes no further than the present provision in the Criminal Code dealing with the publication of false advertisements.

It was our intention here to go a little further than the Criminal Code goes but in one particular field only, the field of misrepresentation by misleading advertising with respect to pricing. We wanted to cover that as a special and separate field, as one of those provisions which we are now introducing to improve the situation of the independent merchant because this is one of the respects in which he is particularly vulnerable to unscrupulous practices especially by those who use the power of the purse as one of the main devices against their weaker competitors.

Thus it is frequently alleged in advertisements that if you come to my store you can get an article at such and such a price, and that the ordinary retail price is, let us say, a sum two or three times as much. It has been found on investigation—I have not had the opportunity to put this on record before—that in many of these cases the price advertised as the ordinary or average price bears not the slightest relation to reality, or is a grossly inflated statement of what is the ordinary or average retail price at which those articles are sold. Such advertisements, blown up as they are, usually have articles in them for which there would be a tremendous consumer demand if the impression was created that you could get them at one third of the ordinary retail price. So, you see, they have an attractive effect and on that basis the volume of sales of the merchant who makes use of this misleading and dishonest device is increased at the expense of those who do not resort to such misleading and dishonest practices.

It will be appreciated, I think, that this is a special type of misleading advertising; it is misleading advertising related to price alone; and so we have felt it was proper to have a provision in the combines legislation dealing with the matter, because of its relation to other subjects with which this legislation now deals, namely the provision designed to protect and improve the position of the independent merchant.

Another reason for having it in here in this form is that we do not police the Criminal Code; that is the ordinary provisions of the Criminal Code are not normally the responsibility of the combines branch to supervise or to enforce, and I think that it would be the subject of criticism if we took the ordinary provisions of the Criminal Code and put our officers in charge of supervision and enforcement. There would be a change in the normal division of responsibility for enforcement of the ordinary Criminal Code provisions. That is why we put it especially in here. As I say, I think the effect of the hon. member's amendment would simply be to make the section go no farther than the present provision of the Criminal Code, so that it would have really no special place in the combines legislation; it should be left to the operation of the ordinary section of the Criminal Code.

There are one or two additional technical arguments that I could make, but these are the basic arguments why we think it

should be in here in its present form, which does give it specific relation to pricing.

Mr. Pearson: Would the minister not agree that those misrepresentations, and what he calls blow-ups and exaggerations in a dishonest sense, are not confined, of course, to prices as pointed out by my hon. friend, and therefore by mentioning prices only is he not in danger of minimizing the offence in relation to other forms of misrepresentation and dishonest advertising?

Mr. Fulton: I should not really think so, Mr. Chairman. The other matters are covered in the Criminal Code sections; there have been some prosecutions under them. I am not at all sure actually, whether if you simply left the section, as this amendment would, to deal with misrepresentation generally, there might be some question whether the courts would hold that a false statement as to the price at which such article is sold in ordinary retail sales is actually a misrepresentation as to the article itself. It is certainly misrepresentation as to the price of the article, but when you are asking the court to hold that this is misrepresentation of the article itself, as you have to do if this amendment carried, there might be some question there. We felt that it was appropriate to include a section that specifically related to misleading price advertising.

Amendment (Mr. McIlraith) negatived: Yeas, 10; nays, 47.

Mr. Howard: Mr. Chairman, it seems to me that this is the decent course to take in so far as the elimination of false and untrue advertising is concerned; but it is qualified somewhat; it implies that a person can be a little bit dishonest or misleading or quite a bit, maybe half way misleading or dishonest before he runs afoul of the provisions of the law. I am making reference to the word "materially". The clause reads:

> Every one who, for the purpose of promoting the sale or use of an article, makes any materially misleading representation to the public—

I wonder whether it is necessary to have the word "materially" in here since it is a qualifying phrase of "misleading" and indicates that "materially" could have a number of connotations. I take it from this it means that a large degree, or more than just a slight amount of misleading must take place. I take it the word is synonymous with the word "substantial", or that it relates to the definition or degrees of misleading rather than to the definition of the word "materially". Before I go any further can the minister indicate just what it means? Perhaps I should stop, since it is five o'clock.

The Deputy Chairman: Order. It being five o'clock, it is my duty, pursuant to section 3 of standing order 15, to leave the chair in order for the house to proceed to the consideration of private and public bills.

Progress reported.

PRIVATE BILLS

Mr. Speaker: Order. It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

Mr. McCleave: I think there is agreement among all parties that private bills are to be dispensed with and the house will resume the business which was interrupted at five o'clock.

Mr. Pickersgill: I may say it is agreeable to us, sir.

Mr. Speaker: Does the house give unanimous consent to waive the hour for private bills?

Some hon. Members: Agreed.

Mr. Speaker: The house will resume the business which was interrupted at five o'clock.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed consideration in committee of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code—Mr. Fulton—Mr. Rea in the chair.

Mr. Howard: At five o'clock I was asking the minister what was meant by the word "materially".

Mr. Fulton: The word "materially" here is not intended to have the effect, and I do not think has the effect, that the hon. member for Skeena attributed to it. It does not have the effect of saying that it has to be a great big misrepresentation and that a small misrepresentation would go scot-free. What is intended, and I am certain the effect it does have, is to say that it must materially mislead somebody. The effect must be to mislead somebody in a material manner so that they form an erroneous conclusion which is material to them and without which they would not have gone in to buy the article or would not have taken the action they took. It is so that the person who complains that they were misled cannot make a case out of some trifling effect on them that the misrepresentation may have. The misrepresentation has to have the effect of misleading them in a material way.

Mr. Crestohl: Could the minister give a practical example?

Mr. Fulton: I would say if a person felt they were going to get a bargain at about one third of the ordinary retail price and found they were only getting it at five cents less than the ordinary retail price that would be misleading them in a material fashion. But if it was merely said that there was a saving and the saving was five cents I think it would be questionable whether that was a material misrepresentation. To clarify, if somebody merely said there was a saving and if the person forms his own conclusion on that basis that there was a material saving, whereas the saving was only five cents, he would not have been materially misled because there was a saving.

Mr. Howard: If that is the intent of the word, would it not follow that the section is perhaps phrased somewhat incorrectly and would lead someone to form another conclusion? Here is the misleading representation to the public that is qualified as being material and the minister has just said that the effect upon the public from the point of view of being material is the connotation rather than the misleading representation being material. I wonder whether a readjustment of the words would not make it more clear.

Mr. Fulton: I think that this section compared, for instance, with section 303 of the Criminal Code, which deals with false pretences, makes it clear in what sense and with what effect the word is used, and it must be that the misrepresentation has a material effect.

Mr. Howard: Does the section of the Criminal Code to which the minister has referred have the same relationship between words as this one?

Mr. Fulton: No, in a sense this was an attempt to find a word which would be consistent with the general provision of the Criminal Code regarding false pretences. We did not want to go into the long provision of the Criminal Code which outlines what false pretences means. We felt that in this context the use of the word "materially" would convey to the courts the same import as is contained in the section dealing with false pretences in the Criminal Code.

The Deputy Chairman: Shall section 33C carry? Carried.

Clause agreed to.

On clause 14—*Defences.*

Mr. Pearson: Mr. Chairman, this, of course, is a very important clause in the amendments. It deals with resale price maintenance and concerns also the practice of loss leaders as well as other business practices. On second reading and in the committee we explained at some length our objection to this clause. We noted that section 34 of the act prohibiting resale price maintenance was maintained. Perhaps that is a little surprising in view of the stand taken by my hon. friends opposite in the 1951 discussion of this subject. However, although it is retained, we feel that this particular clause, which amends section 34 of the act, would result in resale price maintenance coming in again through the back door by a system of private law enforced privately with private sanctions and really establishing a form of private resale price maintenance. When I was discussing this matter on second reading, Mr. Chairman, I had this to say, as found on page 4354 of *Hansard*:

> If the government feels that some of the practices it is asking the manufacturer to prevent, asking the supplier to prevent, are really undesirable from the point of view of the public interest, then surely the only fair and honourable course of action to take is to make those practices illegal and let the courts decide when an offence has been committed. A system of private law, even if it is to be governed under the supervision of the courts, is not acceptable.

So far as we are concerned, it remains unacceptable. I appreciate, of course, the difficulty of legislating against loss leaders. The report of the MacQuarrie commission had a good deal to say about these difficulties and the report I have in my hand, the 1955 report of the restrictive trade practices commission, containing some 260 pages, is devoted to a large extent to explaining the undesirable results of loss leaders but also to explaining the difficulty in legislating against them. However, it seems to us that if the government is determined to have a section of this type in the act, if it is determined to amend the act in this way, it would be much preferable to have the section deal directly with loss leaders and include in it as effective a provision as can be made to make this practice illegal. I am not going to repeat all the arguments that were advanced in the committee and on second reading with respect to this subject. I will content myself at this stage by moving:

> That all the words after "(5)" in line 39 of clause 14 be deleted and the following substituted therefor:
>
> "(a) Every one who makes a practice of selling an article at a price below his cost of acquisition is guilty of an offence punishable on summary conviction.
>
> (b) It is not an offence under paragraph (a) of this subsection to sell below the price mentioned therein in the case of end of season clearances, sales of broken lines, sales of an overstocked article, sales of a perishable article and in other similar cases where the purpose is also primarily to dispose of the article."

Mr. Fulton: Mr. Chairman, I think my first comment must be that in a matter of this importance, relating to a portion of the act on which my hon. friends have indicated in the past they are most concerned and with respect to which they have made their most vehement criticisms, it is unfortunate that an amendment of this type comes at this time when there was an opportunity given by the reference of this bill to the standing committee for detailed suggestions of this type to be discussed in an atmosphere and in a place where discussion would have been useful. The committee of the whole would not then have been confronted with the immediate necessity of taking a decision. I must say that I find it remarkable that we have been confronted with amendment after amendment at this stage which was not suggested in committee. I have refrained from commenting before because the circumstances were not as remarkable as these circumstances.

We have an amendment here which deals with a section of the legislation about which my hon. friends have in the past expressed the greatest concern. One would have thought that they would have found it appropriate to make such a specific suggestion as this in the banking and commerce committee. However, that was not done and I am not going to protest about the fact it is actually done here. My hon. friends are quite within their rights, whether or not it had been done in the other place, to move the amendment here and I merely draw attention to the fact that it was not done there.

We are, however, confronted with an amendment which would have a very far-reaching effect, and it is my responsibility to indicate, on short notice it is true, what my position is with regard to the amendment.

Mr. Pickersgill: Will the minister permit a question? Would the minister rather go on to the other sections of the act and come back to this after having had a little time to reflect upon it? This course would be quite agreeable to us.

Mr. Fulton: No, I do not believe it is necessary because I feel this amendment is so far-reaching that it has the effect of destroying the content of the legislation. I do not feel, really, that I have much difficulty in making up my mind with respect to the desirability of defining loss leaders. I am in entire agreement that that might be a desirable thing to do. I would suggest that those who have made a study of it so far have suggested it is a difficult, if not impossible, task to find the kind of definition which you would put into a statute making it a criminal offence to indulge in a practice such as this. It is extraordinarily difficult to define this practice and there is a danger that whatever words you use you may be embracing a practice which, on reflection, you would wish you had not covered at all.

My first comment is that what this amendment seeks to do is to wipe out the legislation which has been before the house on second reading, which has been before the banking and commerce committee for a month, and totally eliminate the proposed amendment to section 34, and substitute for that a provision merely defining "loss leader".

Then, when you come to considering that amendment itself, the definition of loss leader, I find it would be very difficult to accept. It makes the sweeping assertion that a loss leader is confined to the practice of selling an article at a price below the cost of acquisition. It makes this an offence punishable on summary conviction. It is true the amendment goes on to set out what are not offences, and incidentally the form of words used is just as objectionable as the form of words we had in the draft bill of last year which came in for such criticism. However, it is not on that point really that my concern would rest because I was never in agreement with all the strictures that were heaped on us for having used this form of words last year.

What I would be concerned about would be subparagraph (b) of this amendment which provides that it is not an offence if the sales complained of occur in the course of end of the season clearance or sales of broken lines or sales of over-stocked articles or sales of perishable articles or in other similar cases when the purpose is primarily to dispose of the articles. I have very grave doubt as to whether this is valid criminal or quasi-criminal law. Who is to say what is the end of season clearance? That is not defined. Who is to say what is a broken line? How are you to establish that it was definitely a broken line or one that the person selling it merely wished to discontinue? Who is to define what is an over-stocked article? There may be many different impressions of what is an over-stocked article. We must remember that in order to avoid a conviction for a sale which he might not have regarded as a loss leader at all but genuinely the sale of an over-stocked article a merchant would have to establish that it was an over-stocked article. There is no criterion by which that may be established, so he may be convicted although he may have had a genuine apprehension that he was over-stocked. If the court comes to the opposite conclusion, then the court convicts him if he sells the article below the cost of acquisition.

One could make similar points on every one of these purported exceptions which, if established, would render a merchant safe from a conviction of having been guilty of loss leader selling. They are all matters of opinion, and in that sense I question very seriously whether it is fair to attempt to create a new definition of a practice with the certainty that anyone convicted of that practice is going to be found guilty of a criminal offence, an offence punishable on summary conviction. The whole thing is in the area of opinion. There are no criteria which are capable of being reduced to legal language by which you could measure the definition of loss leader.

I have come to the conclusion, as have the experts who have worked in this field before including the MacQuarrie committee, that it is not a subject which is capable of precise definition of a nature which would make it a proper matter for enactment in criminal legislation. It is not capable of that kind of definition which would warrant one in making it a crime. It is because we came to that conclusion, that there was really the greatest difficulty in the way of defining loss leader so as to make it a crime, that we were forced into the position of coming at it by this inverse approach which is contained in our amendment to section 34.

We are not making anyone guilty of a crime under this, nor are we restoring the practice of resale price maintenance. We simply say that if a supplier discontinues the supply, for any of the reasons outlined in the section, then if that is his reason he is not, on that ground alone, to be found guilty of the other crime which was created by the former government, namely that of resale price maintenance. We have not, therefore, created any crime because we are recognizing that in this field it is not possible to create such a precise definition that it would be appropriate to make the conduct complained of a criminal offence.

Now it does seem to me, finally, that what is done by this amendment really falls not so much within the realm of criminal law as it does within the realm of an attempt to regulate trade and business. This is exactly what it is. I have always felt that it is not proper for parliament to make detailed regulations with respect to looking into a merchant's stock to see whether he was overstocked or whether he had broken lines or whether it was a real end of season clearance, and so on, or a perishable article. I have always felt that kind of intrusion into the detailed running of an individual's business is not good criminal law. While I appreciate the intent or motive with which this amendment has been designed, I must conclude with my customary modesty that it does not prevent any better definition of the loss leader practice than do any of those which we have had under consideration from time to time. We felt that none of those were proper matters to present to parliament. I have come to the conclusion that this is not an acceptable amendment. Under the circumstances I have outlined, we believe that our approach is the only feasible one by means of which the interests of the small merchant can effectively be protected.

Mr. Pickersgill: The minister complained or, if he does not like the word "complain", may I say that the minister observed that this amendment was brought in at the last moment when there might have been an opportunity for bringing it in in the committee. I have not looked up the matter, but I am sure the minister will recall that there was one occasion in the committee when we felt we had good ground to complain because the elections act was under consideration here in this place, when the hon. member for Kenora-Rainy River pointed out in committee that it was going to be simply impossible for us to put forward all the views we wished to put forward in that committee because we were constantly having to appear in the house when we wanted to be in the committee. He served notice on the committee and on the minister at that time that precisely this sort of thing was bound to happen because of the way in which this matter was being proceeded with.

But that is not the reason why this amendment was not brought forward in the committee. The reason this amendment was not brought forward in the committee was that we were concerned to get rid of this, as we think, iniquitous legislation altogether. Until further study is made of this problem and until a thoroughly satisfactory way of dealing with this loss leader problem—and I admitted this problem—can be found, we think the best course would be to leave section 34 alone. But since the government is going to persist in trying to make private law, we felt it was our duty as legislators to accept the facts, as the Leader of the Opposition said, or to accept the realistic situation in which we find ourselves and to do our utmost in order to see that if an attempt is going to be made to deal with this problem of loss leaders it should be dealt with positively and directly by public law enforced in the courts and not enforced by the private ukases of manufacturers.

The minister talks about some of the things in my leader's amendment as being

matters of opinion. But what is to let suspected offenders off in the minister's proposals? It is "reasonable cause to believe". If a private individual has reasonable cause to believe, he can take against some businessman punitive action which may put him out of business and that will be perfectly legal under the minister's amendment. If that is the case, we think it preferable, or to put it the other way, it is less objectionable to proceed in this way and make the best attempt we can make—and we do not think it is such a bad attempt after all—to define a loss leader. Of course, the extraordinary thing is that, although the minister says it is impossible to define "loss leader" he nevertheless uses the word "loss leader" in the legislation, in line 47 on page 8 of the bill as it was given second reading, the bill that is before us without the amendments printed in it:

(a) that the other person was making a practice of using articles supplied by the person charged as loss leaders,—

In other words, the courts are to decide without any guidance that someone believed or had cause to believe that loss leaders were in use and as a result some person might be denied supplies by private action.

Mr. Fulton: Might I just interrupt at that point?

Mr. Pickersgill: Yes.

Mr. Fulton: I think my hon. friend has missed the point. I said we did not think it was possible to define "loss leader" with sufficient clarity and precision so as to make it proper to make it a criminal offence.

Mr. Pickersgill: I quite agree.

Mr. Fulton: We have defined "loss leader" here. We have not left the court without guidance. However, it is not made a criminal offence.

Mr. Pickersgill: The minister is quite right. The situation is exactly as he says. This parliament in 1951, over violent objection from the minister and his colleagues when they were over here on this side of the chamber, made resale price maintenance a crime. Now by a vague "cause to believe" clause the minister is saying that you can get out of guilt for this crime if you have cause to believe something or other happened that he does not think can be defined as a crime, although it may be defined in some other way. In other words, what this legislation does is this, and it seems to me that the minister's intervention helped my argument because it indicated quite clearly that the minister really is intending to do precisely what we have said all along he was intending to do, namely to provide an escape hatch for resale price maintenance and to make this crime no longer a crime in any practical sense. As I say, if this is really what the minister has in mind, may I suggest that the minister is still thinking along lines that are not much different from those along which he was thinking in 1951. I have been looking through this interesting volume of the debates of the House of Commons for the second session of 1951. On December 28, as reported at page 2450, in the debate on the bill to ban resale price maintenance, the minister said this:

There is, however, ample evidence to the effect that the small retailer will be hurt if the practice of resale price maintenance is eliminated. In the light of that evidence, we are left with the question, why is the government in such a hurry to hurt the small retailer?

I draw attention to these words. The opposition were complaining bitterly because this legislation was being put through by the government at that time.

Why are they in such a hurry to remove the only protection—

And I would ask you to bear those words in mind, Mr. Chairman.

—which the small retailer has against the power of the big interests, the monopolies and the large chain stores, and leave him at the mercy of cut-throat competition? No satisfactory answer to that question has yet been given; yet the Prime Minister, in taking part in this debate yesterday, said that the government was not willing to leave this matter over for any further or fuller investigation; that they were going to remove the protection from the small retailer and leave him to stand on his own feet. It is a callous, ill-considered and ill-advised course to follow, with much harm to be done to independent Canadian business.

If, in fact, what the minister said about resale price maintenance eight and a half years ago was justified—and I do not think for a minute that it was justified—it is hard to see why the minister has been three years in office without doing anything about it; and why now, after three years in office, he is refusing to do what he wanted the government of that day to do, namely to take direct action to deal with this problem of loss leaders but instead is trying to deal with it by a device which we believe will only have the effect of undermining that legislation and of making it virtually inoperative. Why is he seeking to do that?

We say that rather than let that happen it would be better for the government to do what the Minister of Finance, the Prime Minister and the Minister of Justice himself said should be done when they were sitting on this side of the house. They said that if resale price maintenance was to be banned there should be legislation to prevent loss leader selling. But obviously all this legislation is going to do is to allow a private law

to be established in this particular regard. Rather than do that we think it would be a less objectionable course for parliament to adopt the amendment which my friend the Leader of the Opposition has put forward.

I should like to say one other thing. The minister ended his objections by talking about concern for small business. Everybody who takes his duties in this house seriously is concerned for small business as he is for all other sections of the population. But there is one common characteristic of all Canadians, whether small or big: we are all consumers and, our first concern should be for consumers especially those who belong to the least protected section of this community, especially in the export industries where producers are unable to protect themselves against the movements of the world market. To weep crocodile tears about small business when in fact what is going to be done will very likely have the effect of increasing the prices which fishermen and farmers must pay for the necessities of life is something which does not appeal to us. It is for this reason that the St. Laurent government banned resale price maintenance, and we have enough evidence to know that this action did have some effect in keeping prices down at a time of inflation, and that it is having some effect now in reducing prices to the consumer.

I had a clipping from the *Financial Post* handed to me by the hon. member for Kenora-Rainy River—I have lost it now—which referred to the fact that the day after General Motors in the United Kingdom had taken the ban off resale price maintenance in connection with the Vauxhall car the price went down $400 or $500. That was in England. There is no doubt whatsoever that if by the front door or by the back door resale price maintenance is reintroduced the consumer is the one who is going to pay.

Mr. Aiken: I wonder if in view of the amendment he is now supporting the hon. member would agree that the practice of loss leader selling is a serious problem to retailers?

Mr. Pickersgill: I am not sure that it is, but I am sure that most small businessmen think it is, and if we can do anything reasonable and proper which is not going to soak the consumer to remove that kind of grievance we ought to do it.

Mr. Fulton: That is exactly what we have done.

Mr. Howard: I think our objections to the proposed section 34, which were made clear during the second reading of this bill and developed further in the committee, apply at this stage also, because only one slight alteration has been made by the government, and regardless of that alteration we consider that our criticisms are still valid. I am speaking now of the bill as put forward by the government with the addition of subsection 5 to section 34. This confirms our impression that the government just has not got enough courage to put forward its own ideas in the proper form; it has to hide behind some loopholes and pretend it wants to do one thing while really doing another. This government wants to reintroduce price maintenance. This is a campaign which they carried on day after day while in opposition eight or nine years ago. I do not recall this personally, but I remember reading reports of the debate in the House of Commons at that time and the hysterical opposition which was voiced by government supporters, then on the other side of the house, to the then Liberal government's ban on price maintenance. All these feelings are in evidence here again, and it would have been much nicer, much cleaner and more decent if the Minister of Justice had introduced an amendment to repeal section 34. This is what he wants to do in one way or another.

We can only look at this new subsection from one point of view and that is that it should be rejected out of hand. It does nothing more than attempt to legalize price discrimination by private manufacturers because they would now have authority of a legal nature to pick and choose and discriminate against and exercise control over their products from the time they are manufactured until the time the consumer gets them. Manufacturer after manufacturer has either appeared before the committee or made submissions to the minister indicating that what was wanted was a return to resale price maintenance; that they wanted the right to have price control not only at manufacturing level but also at wholesale and retail levels. Of course, this would lead not only to price control but, inevitably, to an increase in prices.

It is very easy to see what will occur in Canada under this particular amendment put forward by the minister. This sob stuff about wanting to help small businessmen cope with the problem of loss leaders is simply window dressing to cover up the real intentions of the government. If the government wished to deal with the problems of small businessmen—and there is no statistical evidence of the degree of severity of this particular problem—then measures could have been taken in one of the other sections of the act, such as the section on price discrimination. If we have a free enterprise economy, if that is what people believe in and if that is the type of economy which we desire, then surely the consumer should have the right to pick and choose between, for argument's sake, an article in one store which has a certain price and in connection with which there is a certain degree of service, if

we wish to bring service into it, and a similar article in another store at a lower price where such service may not be provided.

I heard references made in the committee to a firm in Ottawa called Absell which was described as a discount house or a store that sells a lot of loss leaders. Of course, I do not know if that is the case. However, some hon. members of the present government are among the clientele of Absell. They have been known to enter and make purchases. Certainly they want to exercise the freedom of selection as does anyone else. I also understand that the Minister of Citizenship and Immigration has made purchases there.

Mrs. Fairclough: On a point of order, Mr. Chairman, that statement is not true.

Mr. Howard: Oh, that is perfectly all right. In any event, that was what was said. The amendments offered by the minister deserve complete and outright rejection. Inasmuch as the amendment introduced by the Leader of the Opposition attempts to meet a bad situation foisted on us by the government it is deserving of support.

Mr. Aiken: Mr. Chairman, the amendment just moved by the Leader of the Opposition represents the most amazing about face I have witnessed in a long time. Throughout second reading of the bill and throughout the meetings of the committee the attitude of the official opposition was that loss leadering is not causing any difficulty, that it cannot be defined, that small business only thinks it is being mistreated through loss leadering and that in fact this entire piece of legislation being introduced by the government is bad. Every witness who stated that there was nothing particularly wrong with loss leadering was supported by hon. members of the Liberal party and every witness who said that loss leadering was causing trouble was opposed.

The opposition of the Liberals occurred right up until yesterday and this morning, but now there has been a reversal of attitude. The evidence of Mr. Gilbert of the retail merchants association was castigated throughout the hearings of the committee because he said that loss leadering was a problem and deserved to be dealt with. Mr. Gilbert who has been maligned, to say the least, by hon. members of the opposition, in his evidence proposed that he would much prefer to see the outright repeal of section 34 which is almost entirely the same proposition that is being made now. It is most difficult to understand the reversal of the position of the Liberal party.

The Leader of the Opposition in his introductory remarks said he felt that if the government was going to insist on something being done it should be gone into to the full extent. Throughout the whole argument on loss leadering the government has managed to show that some balance is required in this difficult situation. In 1952 the Liberal party brought in legislation which outlawed retail price maintenance. We feel that the absolute outlawing of it was wrong, that it went too far and that it created other difficulties. We believe that the legislation now introduced will have some leavening effect on the whole situation. To absolutely outlaw loss leadering in my opinion would be to swing entirely the opposite way.

It appears as though the Liberals want to swing the whole way, one way or the other, depending on which side they support. They appeared to be on one side in 1952. They appeared to be one one side yesterday and this morning, but this afternoon at 5.15 they appear to have swung right over to the extreme opposite side of the position they formerly took.

I believe the legislation now being introduced is good legislation. As far as loss leadering is concerned it is no offence now under the law for a person to put goods on sale in an effort to sell them. It is no offence to put cheap goods or non-brand name products on sale. It is no offence to use such products for low price sales, even to the point of their being loss leaders. To do so is not an offence under the present law nor should it be. When a product is being used to the detriment of the manufacturer a person can have action taken against him under certain conditions.

Certainly a manufacturer who has spent much money on the research and development of a product and on advertising it, does not want the product put on the market to be sold as a loss leader or as a cheap product nor do the other retailers want this. This is the crux of the whole situation. A retailer selling a brand at a price which is fair and which provides a reasonable profit can surely expect that his competitors will sell the same brand at a reasonable price. If a product costing $1.25 is being sold for $1.59 in one store and for 59 cents in an adjacent store it is certainly of no benefit to small business or the other retailers. It gives the public the impression that the man charging the higher price is making an unduly high profit which is not the case.

I feel that the amendment proposed by the Leader of the Opposition would go too far the other way. I do not know how a loss leader could be defined. I think the effect of this would be to hurt the consumer. I say no more at the moment except that I would oppose the amendment and again I express amazement at the way it was introduced.

Mr. Morton: Mr. Chairman, I cannot refrain from making some comments along the line of those made by the hon. member for Parry Sound-Muskoka. It is surprising that the Liberals should have taken the position represented in this amendment after the long arguments in the committee, after what was said there by the economists to the effect that the problem of loss leadering did not exist; after even Professor Cohen expressed doubts about the extent to which the problem did exist and especially after the disparaging remarks made by the hon. member for Bonavista-Twillingate not only about Mr. Gilbert but the group he represents because the group was so bold as to bring forward the fact that there was a loss leader problem.

My hon. friends opposite apparently now have seen the light perhaps as a result of the urging of some hon. members in their own party who are involved in small business. We can assume indirectly by implication from this amendment that hon. gentlemen opposite have now realized there is a problem with respect to loss leaders. If you recall the various arguments they were to the effect that perhaps it would be better in the circumstances to let the manufacturer decide whether the loss leader is disparaging his goods.

Mr. Pickersgill: That has been taken out.

Mr. Morton: That part has, yes. As to whether the loss leader is in fact a problem, the manufacturer himself, who knows the situation, in conjunction with retailers who will speak to him about it, would be a good judge of the effect it is having on trade.

The question of whether this is a better method of settling it or having the courts settle it on the basis of the definition of loss leader given in the amendment which perhaps is another definition that is in the clouds. I refer to whether it is a loss leader or not. Perhaps we should leave it as it is and let the matter work itself out, because in all the discussions in the committee very few of the experts could tell us of the effect with respect to the matter of the loss leader in the present situation where the supply is greater than at the time the present act was put into effect, since the manufacturer is not the only manufacturer of the specific goods concerned, and they are not going to destroy their outlets by arbitrarily withholding the right of people to sell their goods. Therefore, for business reasons, they are going to try to get as many outlets as possible. For this reason they would not use this method unless they took a great deal of caution with respect to the effect on themselves.

[Mr. Aiken.]

Of course, we were criticized over the fact that we had not done away with the theory of price maintenance. On the other hand, there are those who feel that we are doing away with price maintenance in the present suggestions. I urge, Mr. Chairman, on this basis that an amendment such as the Leader of the Opposition suggests would not meet the entire problem, and therefore it would be better to go along with the method which is proposed in clause 14.

Mr. Pickersgill: I want to make a couple of observations about the speeches of the two hon. members, the hon. member for Davenport and the hon. member for Parry Sound-Muskoka, since both of them did me the compliment of referring to me. Both of these hon. gentlemen have been great champions, of course, of the cause of the small merchant and are really anxious that something should be done for him with respect to loss leaders. But I notice that they seem to have greeted our so-called conversion to their views not with the enthusiasm one would expect, but with anguish, because they realize the difference between what the Leader of the Opposition is putting forward and what they were seeking to do is the difference between a straightforward, simple way of doing this thing and something that would create a kind of private law.

I rather think that the hon. member for Davenport gave the whole case away when he said, "There are manufacturers who are—" I forget what he said after that; but he was suggesting, perhaps unconsciously, what he was really thinking about when he referred to "manufacturers" and that it reflected his way of thinking. He also suggested we were not concerned until today about loss leaders. That is not, of course, true, as anyone who has taken the trouble, as I have, to look through the debates of 1951, or the speech of the Leader of the Opposition on the second reading, or the remarks that I made yesterday on this subject which I am not going to repeat but which are contained in the second column of *Hansard* at page 6901.

There is obviously a problem here, a very difficult one. We think the problem has been greatly exaggerated, as I said earlier. We think it would be better to leave the law as it is. But if something is going to be done about this, we think this is the preferable method to the other and I hope the committee is now ready to decide on the amendment.

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

Mr. Pickersgill: Yes.

Mr. Morton: In his amendment the hon. member would not carry on the remedies that are set out in paragraph (c) and (d) of clause 14?

Mr. Pickersgill: No.

Mr. Morton: You refer to loss leaders only; you forget the other difficulties.

Mr. Nugent: I have been listening to the hon. member for Bonavista-Twillingate and I think I should straighten him out on the Conservative reactions to this apparent Liberal change in position and assure him the change was viewed not with caution but with suspicion.

Mr. Aiken: Not a real convert.

Mr. Nugent: However, a cursory examination of the amendment proposed by the Leader of the Opposition brings to mind immediately a couple of contradictions. They purport to give protection against loss leader selling, and then promptly they say that this loss leader selling is an offence. Then they give some examples which say that it is not an offence to carry out loss leader selling, and one of these examples is the sales of an over-stocked article. I myself am not a storekeeper or merchant but for the life of me I cannot understand how a loss leader campaign or sale can be carried on without involving an over-stocked article. As a matter of fact, the usual practice is for a merchant to get hold of a large quantity of a particular kind of merchandise that is very low priced and sell it at a loss or at cost and absorb the loss as a good advertising scheme. In other words, it is cheap advertising. He gets a better return on his money than he would get in any other way.

So long as they say that the sale of an over-stocked article is not loss leader selling, how can it possibly give protection? I cannot understand this. An article is over-stocked, in my view—and I cannot arrive at any other sensible conclusion on it—if the merchant has more on his shelves than he would normally carry or his business would normally be expected to handle, or circumstances should change and it would be a good reason, he felt, to get rid of the article. If he wants to take a loss, and if he gets some advertising profit, then he is going to feel that he is over-stocked. Therefore, there is no protection at all and no offence possible under this definition.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Nugent: Mr. Chairman, I had been dealing with the amendment to this section moved by the Leader of the Opposition, and at the risk of repeating myself I should like to say that I take particular exception to that part of his amendment which deletes from loss leader selling sales of an over-stocked article on the basis that sales of an over-stocked article are usually carried out in circumstances where the merchant finds it unprofitable to try to get rid of the merchandise in the normal course of events. By using the article as a loss leader he hopes to get his value out of it as a result of the advertising benefit he receives. In essence what the amendment does, therefore, is to purport to make an offence of loss leader selling but the definition used by the Leader of the Opposition makes it certain that no one would ever be convicted of such an offence.

My reasoning in this regard is much strengthened by the remarks of the hon. member for Bonavista-Twillingate who has tipped us off as to exactly what the official opposition intends to do. That hon. gentleman referred to these people as those who fear that loss leader selling is going to do them some harm. He made it plain in his remarks that he was not at all convinced there was any harm in it but admitted there were those who felt it would harm them and suggested that if we can do anything in a legislative way to allay their fears we should do so. I suggest that is exactly what his leader is attempting to do by this amendment. He is putting in something which will look like it was intended to give such protection but since they are not really against loss leader selling the amendment will not deter it in the least. He says that these people see a shadow and they fear it. Therefore he has moved an amendment which is window dressing but no more than a shadow to fight the shadow of these people's fears.

I am not perhaps the most astute politician in the house but I do think that when we have an amendment which on its face and with only a cursory examination by members of the house can be seen to be so ineffectual that it really would accomplish not one thing, and when we have had the hon. member for Bonavista-Twillingate apologize for it in case they should be thought stupid instead of merely politically astute, it really is going a little too far to take up all the time of the committee that discussion of the amendment has.

I am one of those who feel it would be nice if our legislation was not only good but looked good. However, I certainly think it is vastly more important that our legislation should do something rather than merely be window dressing such as they ask us to accept in their amendment. Having said that, I think we have

had enough of such amendments, and I trust that the next time an amendment is brought in it will at least attempt to do something, and that if the hon. member for Bonavista-Twillingate thinks that people are hanging on his every word and reading all his speeches he will not so much further insult the intelligence of members of the house as well as the people of the country by making it obvious that they really do not intend any harm to loss leader selling.

Mr. Pickersgill: Mr. Chairman, before the vote is taken, may I say I do not think I can let that savage attack by the hon. member for Edmonton-Strathcona pass without pointing out that our amendment does create a very clearly defined offence, an offence which is precisely of the character that the star witness for the government, Mr. Gilbert, said he wanted, that is to say, that nobody should be allowed to make a practice of selling things below the cost of acquisition. It is a clear and definite offence.

We recognize the practicalities of the situation, that there are certain circumstances in which people should be allowed to sell things below the cost of acquisition, as I am sure the hon. member for Edmonton-Strathcona and every other hon. member on the other side recognizes, but we take the view that if there is a problem and something is to be done about it then this amendment would be effective. If there is no problem, then of course the amendment could not be effective, but there are those who allege there is a problem. At any rate, we would see this happen directly and clearly. There would be prosecutions in the courts of the persons who were guilty of using loss leaders and they would not be subject to punitive action by manufacturers who could get around the existing law by reason of the loopholes provided in the legislation that the government is putting forward.

I repeat that the best thing of all would be to leave section 34 alone until something really thoroughly satisfactory can be devised, but since the government will not do that, since the government is putting forward something that we think is completely objectionable, we feel it is our duty as legislators to try as far as we can within the rules of the house to put something forward that is at least somewhat better, and that is what we are trying to do.

Mr. Nugent: Mr. Chairman, I do not want to be repetitious but I am afraid the hon. member has missed the gist of my argument against his leader's amendment. It is true they have purported to create an offence but the only manner in which the offence could be committed has been so covered up by their definitions that it would be impossible to convict anyone of such an offence.

Mr. Pickersgill: I should like to ask the hon. member a question. Would he say which of the exceptions he would take out if he were drafting the legislation?

Mr. Nugent: Which of the exceptions in the bill?

Mr. Pickersgill: No, which of the exceptions in my leader's amendment?

Mr. Nugent: I do not have a copy of it in front of me but it seems to me that most of the exceptions are covered by the remarks I have made. The amendment refers to seasonal clearances. Who is to say what is a seasonal clearance except the storekeeper? It is impossible of true definition or to get it down fine enough so that any crown prosecutor I am acquainted with would care to stick his neck out and try to get a conviction. Certaintly one particular clause to which I object most strongly and which I think is most obvious has to do with sales of an over-stocked article. As I have pointed out, the essence of loss leader selling is that the merchant always uses an article on which he was probably going to take a loss anyway, and in order to get his value out of it he uses it as an advertising gimmick or loss leader. I think that is very obvious.

Mr. Fulton: I think before the committee votes on the amendment moved by the Leader of the Opposition I should endeavour to place it in its proper perspective by comparing it with the proposal put forward by the government, which this amendment would delete. I referred this afternoon to some of the objections to the amendment which I saw upon an immediate examination, and upon reflection have not been removed. Indeed, they have been reinforced by what I have been able to perceive as I studied the amendment. I think a brief survey of what would be done by the amendment, as contrasted with what would be done by the government's proposal, would be helpful.

I indicated that one of the reasons I could not accept the amendment was that I felt it was not possible to place in the criminal law a section defining loss leader selling in a way that should make that practice the subject of a criminal prosecution and conviction. I pointed out just how open to objection the amendment is on that point. Since that time I have been looking at the report of the restrictive trade practices commission on its inquiry into loss leader selling, and refreshing my memory about what they had found with respect to this matter of defining loss leader selling. I find that they made

some very interesting observations in the section of their report dealing with this subject. I direct the attention of the committee particularly to the passage beginning on page 230, where it states:

> It has already been indicated that, in the case of practically all those appearing before the commission, whether representatives of manufacturing or trade groups, or of consumer, farmer or co-operative associations, the view was generally held that it would be undesirable to have legislation which would attempt to define loss leader selling. In some cases the objections were directed specifically to legislation which would establish a minimum mark-up over cost in the sale of any article. While this was the position most commonly taken, the Retail Merchants Association of Canada Inc. did make a suggestion for amendment to the Criminal Code to make it an offence to sell merchandise below a stated cost.

Having noted that the retail merchants association had submitted a draft in this respect they went on to deal with it and to point out the objections that they felt concerning it. In this context, and at this moment, I should like to say we have also made it quite clear to the retail merchants association from the inception of our discussions with them as a government that we doubted very much the feasibility of their proposal; then later, in the course of the discussion we indicated that our doubts had been resolved and that we were certain we could not create a definition of loss leader selling which would be appropriate to insert in this bill to make it a criminal offence. We came to that conclusion on much the same reasoning as is given in the report of the restrictive trade practices commission, because they go on to say, as reported at the bottom of page 231, after having dealt with the suggestion of the retail merchants association:

> The necessity, which the Retail Merchants Association of Canada Inc. clearly recognized, of guarding against the use of any formula or definition in a way which would interfere with the normal competitive conduct of business, is pointed up by the fact that those who made the proposal immediately saw that exceptions and qualifications were required. This emphasizes the views of many others appearing before the commission, to which reference has already been made, that any attempt to define sales below some stated level of costs as loss leader selling would have to provide for so many exceptions that practical working of the measure would be impossible. It will be noted that in the definition proposed by the Retail Merchants Association of Canada Inc. an attempt was made to get away from the actual acquisition cost to an individual retailer and use instead "the manufacturer's lowest selling invoice price" to any member of the trade.

Then they go on to point out how impossible it is, how undesirable it is to resort to this method of giving protection to the independent merchant against whom the practice is used. So, Mr. Chairman, it is a fact that the restrictive trade practices commission, while recognizing as they do the undesirability of the loss leader device, and in this field of course they are reinforced by the findings of the MacQuarrie committee itself, have nevertheless concluded that making it a criminal offence is not a practical method of dealing with this problem. I refer to the attempt to define it and to write that definition into the Criminal Code, because of the multiplicity of exceptions which would have to be introduced in such a provision.

On the basis of that conclusion, which this government shares, one is then faced with the necessity of finding some other method of meeting the problem confronting independent merchants, and it is our view that we have resolved that problem satisfactorily and in the only method possible by the amendment suggested in clause 14 of this bill. At this point I have to remind the committee that the amendment suggested by the Leader of the Opposition would completely delete our proposal. When members of the opposition say that their proposal is desirable as against the undesirable government proposal—I will not attempt to review all the opprobrious terms they have applied to it—let us look at what this government's proposal does.

I should like to examine our proposal in the light of what they say, and in the light of what would still be open to be done by way of an inquiry if a charge or complaint is made that resale price maintenance has been introduced by the back door, as my hon. friends say would be the case under our amendment. Starting on the basis that resale price maintenance is made illegal and is an offence under the act, we have not in any sense weakened or amended the operative portions of section 34 which have that result. But we do say that there are certain practices carried on by some large retailers which are damaging to the interests not only of other merchants but of consumers. We say that no one in his right senses would argue that if these practices could be defined and isolated a supplier should not have the right to discontinue supplies because of these practices. Let us look at what our amendment says. It reads:

> Where, in a prosecution under this section, it is proved that the person charged refused or counselled the refusal to sell or supply an article to any other person, no inference unfavourable to the person charged shall be drawn from such evidence if he satisfies the court that he and anyone upon whose report he depended had reasonable cause to believe and did believe—

Let me remind you, Mr. Chairman, that the supplier has to have reasonable cause to believe and has to believe, first:

> —that the other person was making a practice of using articles supplied by the person charged

as loss leaders, that is to say, not for the purpose of making a profit thereon but for purposes of advertising;

My hon. friends have recognized by their amendment now before the committee that they also agree that the practice of loss leadering is an undesirable and damaging practice. It is not open to them, therefore, to say that it is unreasonable for a supplier to discontinue supplies if the person supplied is using those articles for loss leadering. We are on common ground there. My hon. friends must agree that it is quite appropriate for the supplier to discontinue supplies under those circumstances.

Mr. McIlraith: Surely the minister would agree that the amendment offered by the Leader of the Opposition provides that the courts should enforce a penalty on a person who practices loss leadering, whereas the amendment with which he is dealing enables the supplier to enforce the penalty against that person.

Mr. Fulton: Not at all. I shall come to that matter when we relate this back to what happens when an inquiry is launched on the basis of a complaint that resale price maintenance has been indulged in. But the point I am making here is that my hon. friends, by their amendment, agree that this loss leadering is an undesirable practice and should be eliminated. If they agree with that suggestion then they cannot say that it is unreasonable for us to provide for the discontinuance of supplies because of this practice of loss leadering.

Mr. Pickersgill: What a *non sequitur.*

Mr. Fulton: My hon. friend says "What a *non sequitur*". The only inference to be drawn from that remark is that they were not sincere when they introduced their amendment which says that a company which engages in the practice of loss leadering, as they defined it, is committing a criminal offence.

Mr. Pickersgill: I wonder whether the minister would permit a question?

Mr. Fulton: Yes.

Mr. Pickersgill: Does the minister really think that every practice that he considers undesirable should be made illegal?

Mr. Fulton: No, indeed. That is precisely my objection to the amendment of the Leader of the Opposition. This happens to be one practice that I consider undesirable, but I recognize that it cannot define with sufficient preciseness in order for one to be warranted in trying to make it a criminal offence.

The next ground upon which we say that a supplier would be entitled to discontinue supplying is when the person supplied was making a practice of using the article supplied not for the purpose of selling such articles at a profit but for the purpose of attracting customers to his store in the hope of selling him other articles. Is there anything unreasonable about that? If a supplier finds that the person supplied is using the goods supplied not to promote the sale of those goods but as a come-on device in order to get people into his store for the purpose of selling them other articles which is damaging the trade of other merchants who are trying to sell his goods, is there anything unreasonable or improper about the supplier discontinuing the supply of those articles to the offending merchant? I hear no voice raised in opposition or contrary assertion. I, of course, am satisfied that no one could hold that it is an unreasonable thing to make it clear that a supplier has the right to discontinue his supplies under those circumstances.

The third circumstance under which it is made clear that supplies may be withheld is that the person supplied was making a practice of engaging in misleading advertising in respect of the articles supplied by the person charged. Will anyone argue that it is unreasonable or improper to make it clear that a supplier can discontinue supplying if the person supplied was using the articles in question as a subject of misleading advertising in an unethical way or engaged in unethical and dishonest practices with respect to the goods supplied. Therefore we say that there should be no question but that the supplier would be right to discontinue supplying there.

The fourth circumstance in which it is made clear that a supplier has a right to discontinue supplying is when the other person made a practice of not providing the level of servicing that purchasers of such articles might reasonably expect from the merchant in question. The circumstance here is not that the person selling articles did not provide a level of servicing required by the manufacturer. That would not be a valid ground for discontinuing supplies. The circumstance justifying withdrawal of supplies is that the merchant made a practice of not providing the level of servicing that purchasers from him might reasonably expect him to supply. This is directed at another dishonest device wherein merchants hold out that they are sellers of goods with respect to which purchasers normally expect a certain level of services and do not make it clear that their low prices are on the basis that

they do not service the goods. The purchaser from them comes back and says, "My appliance has broken down will you come and repair it?" And only then finds this merchant saying, "We do not have a policy of servicing these goods". The effect of this section is to say that anyone who holds himself out as giving service with respect to goods that he sells, and who then does not give the service which the purchasers from him are entitled to expect on the basis of that holding out may have his supplies discontinued without the person discontinuing the supplies being interpreted necessarily as having attempted the practice of resale price maintenance.

Hence every one of these circumstances outlined here under which supplies may be discontinued without that necessarily being held to be part of a resale price maintenance policy, are circumstances in which the consumer has a definite interest in seeing that that policy of discontinuing supplies would be followed; because every one of the practices jutifying a discontinuance of supply is a practice that works against the interests of the consumer. I make that statement without hesitation or equivocation.

Having analysed the basis upon which this legislation proceeds, the basis upon which it says that discontinuance of supply under these circumstances shall not be taken ipso facto as evidence of a desire to maintain resale prices, let me turn to the next criticism that my hon. friends make.

"Oh," they say, "but the decision whether or not to discontinue supplying is a sort of private law". Somehow or another they suggest that this matter is placed entirely beyond the reach of the administration of the combines legislation. They say that we are placing the power in the hands of suppliers and thus of manufacturers, of administering private law, and they suggest that the combines branch will not be able to look at it any more and that the courts will not be able to deal with it.

This also is an argument *ad absurdum*. This can be demonstrated if we go back to review the course of an inquiry that would be made if a complaint was laid by a merchant whose supplies had been discontinued. Let us suppose the case of a retailer whose supplies had been cut off and who got in touch with the director and said, "My supplies have been cut off and I say it is because I refused to maintain a resale price which the manufacturer or supplier asked me to maintain". The director would make an inquiry. The director would examine the suppliers in order to ascertain what was the reason for which the supplies had been discontinued. He would examine into the situation in order to see whether in fact any attempt had been made to practice a resale price maintenance policy.

My hon. friend says, but all that the person then investigated would have to do would be to say, "Oh, somebody told me that the merchant whose supplies are discontinued was carrying on a practice under one of the clauses (a), (b), (c) or (d)". This, of course, would not be by any means an answer to the inquiry into the question of whether there was resale price maintenance, because not only would the supplier who discontinued supplies be obliged to satisfy the director that he did believe that one of these practices was being engaged in, but he would be obliged to show that he had reasonable cause to believe it; and he would not be able to rely upon the suggestion made by my friends in the opposition that somebody had told him and therefore he had reasonable cause to believe. It would then have to be proved that the person who told him also had "reasonable cause to believe".

Are we to assume that just because this legislative amendment is made, the director, the restrictive trade practices commission and in the ultimate analysis the minister and the courts are going to take leave of their common sense and not require the persons who are being investigated to show them positively that they had "reasonable cause to believe" that one of these things were taking place which alone is the justification for the discontinuance of supply?

It is apparent that hon. gentlemen opposite have simply closed their eyes to the real meaning and to the obvious meaning of the provision we have placed before parliament. The director is not going to be hoodwinked, the restrictive trade practices commission is not going to be hoodwinked; they are not going to allow someone to say to them "I have simply formed a belief" without asking why he had formed that belief and whether there were reasonable grounds for it.

Mr. McIlraith: Does the minister not realize that the supplier will have cut off supplies and inflicted a penalty before the director is called upon to intervene, and suppose the director finds there is no defence—

Mr. Fulton: That is a completely irrelevant question.

Mr. Pickersgill: —after he has been put out of business?

Mr. Fulton: There is no change at all. Right now if a manufacturer were to cut off supplies by reason of a policy of resale price maintenance we could not restore that situation until there had been a complaint and

an inquiry followed by a report and a conviction. There is no change in that situation whatsoever. Of course, there has to be an inquiry. That would be the case whether this amendment were here or not. So there is no interference with any access on the part of the merchant to the director, and no change in that regard at all.

The director, as I say, is not going to refrain from applying common sense to this situation just because this amendment is here. He will require to be shown that there is reason to believe that one of the practices outlined in the section was involved, and if that is not proved he will say that this section provides no defence. So it will be with the commission, so it will be with the minister to whom the commission will report, and so it will be with the courts. The courts are most certainly going to require that anyone who relies upon the defence of this section must show that he not only did believe but that he had reasonable cause to believe that one of the offensive practices was being carried on by the persons whose supplies are discontinued, and it is only if that can be established that the section is available as a defence.

So I say that when you examine what we have provided here as a reasonable protection for merchants against the unfair competitive practices of some of their competitors, and when you find it does not restore resale price maintenance, that it does not take away the common sense of the combines branch, either of the director or of the commission, and that it does not impose any criminal liability on persons in respect of practices that cannot be defined in legal terms suitable for inclusion in criminal law; when you compare all this with the amendment put forward by the Leader of the Opposition which flies in the face of every report by every agency, including those established by the government of which the hon. gentleman was a member, all of which conclude that it is not practicable to define the practice of loss leader selling and make it a criminal offence, I say to the committee that I am confident that in the light of that comparison they will agree with me that the amendment of the Leader of the Opposition should be rejected and that the proposal of the government should be adopted.

Amendment (Mr. Pearson) negatived: yeas, 20; nays, 59.

Mr. Howard: This clause has been kicked around somewhat and I think there has been a pretty exhaustive examination of it. However, I think there is one group of words which should be removed. We have already debated their effect and intent to some extent. If they were removed I do not say I would support the clause in its entirety, but for the sake of ensuring the greatest possible degree of clarity I think the words that relate to reasonable cause to believe should be removed, and I should like to move, accordingly, as follows:

That subsection 5 of clause 14 be amended by deleting, in lines 43, 44 and 45, the words "that he and any one upon whose report he depended had reasonable cause to believe and did believe".

I think that removing the reasonable cause to believe business will make it more clear, and put more responsibility on the person who is charged to prove why he discontinued his supply to the other person involved.

Mr. Pickersgill: I must say I think this amendment commends itself to me.

Amendment (Mr. Howard) negatived: Yeas, 19; nays, 64.

The Deputy Chairman: Shall clause 14 carry?

Mr. Pickersgill: On division.

Clause agreed to on division.

Clauses 15 and 16 agreed to.

On clause 17—*Jurisdiction of courts.*

Mr. McIlraith: Mr. Chairman, I wish to raise a point I raised on second reading. I do not propose to reiterate any of the arguments made previously but I want to point out again to the committee that subclause 4 combined with the new section 32 (1) as adopted earlier today by the committee make it abundantly clear that where an offence or a prohibited act has been committed under this legislation the Attorney General of Canada at his discretion—and likewise the attorneys general of the provinces at their discretion—may proceed by civil proceeding instead of by way of criminal prosecution. That in my view raises a very serious constitutional issue because of the fact that the legislation against combines has been held to be within the competence of parliament because it is criminal legislation.

If we make it clear as I suggest we are doing by the adoption of clause 17 (4) that it is no longer criminal legislation but may be merely a matter that is to be dealt with by way of civil remedy and civil proceedings then we are raising a real constitutional issue that may very well jeopardize—I am sorry I cannot hear the hon. member who is interjecting—the legislation. We are raising a constitutional issue by the adoption of this clause combined with section 32 (1) in the form in which it has been approved by the committee. I merely wanted to point

that out to the committee. I do not think I need elaborate on the subject or reiterate the arguments I used earlier.

Mr. Fulton: Mr. Chairman, I appreciate the brief re-statement by my hon. friend of his position and I will be equally brief in reply because we did cover this before. In my submission my hon. friend is confusing the procedural with the substantive. The hon. member is saying that because we have provided a different procedure to obtain a remedy, we have changed the nature of the jurisdiction under which we seek the remedy. In my submission that is not a sound view. In my submission the procedure by way of information which, is provided in subclause 4 as an alternative is equally a criminal as a civil procedure. We are not relying on any different jurisdiction although it is true that we have provided an alternative remedy.

Mr. McIlraith: The minister's argument would be perfectly valid if he had adopted an earlier argument advanced this afternoon to the effect that the discretion be left in the courts and not in the minister, but since it is a discretion left in the minister it changes the complexion of the matter altogether. That is the nub of the whole argument. If the minister had left the matter with the courts his answer would have been effective but having taken the discretion himself it gives rise to the problem to which I referred.

Clause agreed to.

Clauses 18 to 22 inclusive agreed to.

On clause 23—*Application of acts to fishing agreements.*

Mr. Howard: This provision was inserted in the act last year which, in brief, provided that the act would not be construed to apply to the fishing industry on the west coast up to a certain period of time. This arises out of the fact that there was an inquiry by the director into the fishing industry and consequently a statement of evidence was made to the restrictive trade practices commission. Hinging on this the industry and union were unable to enter negotiations. The fishing association took the position that they would perhaps run afoul of the law again by negotiating with the union on the price of fish. The period involved was from January 1, 1959 to December 31, 1960.

A number of reasons combined to postpone the hearing by the commission. I do not know whether a firm date has yet been set for this hearing. There has been some correspondence between the union and the minister and as is the usual practice I am sure the union sent copies to at least all hon. members from British Columbia. I understand their contention is that there is a possibility of entering into negotiations between now and the end of December, 1961 which could result in agreements which would be in effect beyond the end of 1961. Although they want it to apply for the next 99 years the association suggested that the extension might more properly be to December, 1962 in view of extenuating circumstances and the complications that might arise to ensure that they have the coverage and protection of the law relating to any contract signed in this period.

If the commission meets and hearings are held it will be some time before the matter is concluded and the report released. Following that if there were a decision to prosecute some of the parties the proceedings could well carry on well past 1961. Until the question is finally cleared up the extension should be granted for an additional year beyond 1961 as is presently provided for. Would the minister indicate the decision he has made with respect to an extension to December 31, 1962?

Mr. Pickersgill: I should like to support—I do not think there is any need to repeat the argument—very warmly the suggestion of the hon. gentleman.

Mr. Fulton: I doubt very much whether I can accept the suggestion, for the reason that it will be quite simple to take care of a situation which might arise if the hearings of the commission are protracted, or if the court has not dealt with the matter by the time limit contained in the proposal before the committee, namely the 31st day of December, 1961. It will become obvious to parliament in the course of the session, and as a matter of precaution the time limit would be extended by a sufficient period to take care of the eventualities, and so on from time to time as appeared to be necessary.

I would hesitate very much indeed to give a statutory exemption to an arrangement which might be held by the courts to be a contravention of the act and find then that by so far advancing the period of exemption the arrangement might continue to operate for an appreciable length of time after it had been found that it was otherwise a contravention of the act. I would think it would be much preferable to keep the period reasonably close; then, if from time to time it is found that it is necessary to postpone the expiry of the exemption period, that can be done.

I might point out to my hon. friend from Skeena by way of, shall I say, compensation for any disappointment he might feel in not having his amendment accepted that any such further postponement would give him the

opportunity to discuss the matter again every time. Thus, it is not an unmixed blessing so far as he is concerned.

Mr. Howard: I did not know you would invite me to take part in the discussion again.

Mr. Fulton: The reason I do not like to see it extended for too long a period is that the arrangement might continue to operate for an appreciable length of time after it had been found that it was otherwise a contravention of the act. For these reasons I am not able to accept the extension of the postponement under this section.

Mr. Howard: In so far as the minister's suggestion is concerned, may I say I think that some of his friends on that side of the house would object strenuously to my participating in any debate which might prolong the session.

I do not intend to press the matter to a vote because of what the minister has said, and I think it can be taken as a solemn guarantee to everyone concerned that if circumstances are such at a subsequent session that it is necessary to extend the precaution for an additional period of time, this will be done until the matter is cleared up.

Mr. Fulton: Yes, I will confirm that understanding, Mr. Chairman.

Clause agreed to.

On clause 5—*Counsel.*

The Deputy Chairman: The Chair has an amendment of the hon. member for Ottawa West.

Mr. Fulton: Mr. Chairman, it was agreed that we would allow this clause to stand and that I would review the remarks and suggestion of the hon. member for Ottawa West in the light of what I had said and would then attempt to produce an amendment which reconciled the points of view. Accordingly, I have one which I would be glad to ask my colleague the Minister of Labour to move. I think the hon. member for Ottawa West has been provided with a copy. I will send one over now if he has not one.

Mr. McIlraith: Before the amendment is moved perhaps I should withdraw the amendment I had offered.

The Deputy Chairman: Will the committee give unanimous consent to the hon. member for Ottawa West to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. Starr: I move:

That lines 3 to 5 on page 3 be deleted and the following substituted therefor:

[Mr. Fulton.]

13. Whenever in the opinion of the commission or the director the public interest so requires, the commission or the director may apply to the minister to appoint and instruct counsel to assist in an inquiry and upon such application the minister may appoint and instruct counsel accordingly.

The Deputy Chairman: The committee has heard the amendment.

Mr. McIlraith: I just wish to indicate that this fully and clearly expresses the views that I was seeking to embody in the amendment I moved.

Mr. Fulton: I do not wish to appear to obstruct my own amendment, but I notice now it seems to have reference to the original bill and I am just wondering, to avoid misunderstanding, whether we are working on the reprinted bill or—

The Deputy Chairman: We are working on the original bill.

Mr. Fulton: Then it is alright.

Amendment agreed to.

Clause as amended agreed to.

The Deputy Chairman: Shall the committee revert to clause 9.

On clause 9—*Findings to be included in report.*

Mr. Howard: I understand this clause was held over to make sure that it would not conflict with the possibility of one or more amendments being accepted to section 32 but, in as much as none was accepted, perhaps we might deal with this in a formal way. The minister introduced, or there was introduced on his behalf by the hon. member for Burnaby-Richmond, an amendment to section 32, notably to subsections 4 and 5, which deal with the export trade question. I am not advancing this favoured point of view because I do not think the clause before us now, namely clause 9, commends itself to our acceptance, in any event. There is a specific reference to findings in the clause and authority is to be given to the commission so that it shall include—and I am reading now from the top of page 4:

—a finding whether or not the conspiracy, combination, agreement or arrangement relates only to one or more of the matters specified in subsection (2) of section 32 and, if so, shall include a finding whether or not the conspiracy, combination, agreement or arrangement, has lessened or is likely to lessen competition unduly in respect of one of the matters specified in paragraphs (a) to (d) of subsection (3) of section 32,—

And so on. If it is desirable to give the commission authority to make findings with respect to subsection 2 and subsection 3 of section 32, would it not also be correct for

the minister to give the commission authority to make a finding with respect to subsections 4 and 5 also?

Mr. Fulton: Mr. Chairman, I do not know that a great deal hangs on the suggestion one way or the other, but I have a reluctance to accept it because I would point out that the amendment with respect to export arrangements, it seems to me, is quite distinguishable and proceeds on an entirely different basis from the amendment in the earlier portion of section 32 relating to arrangements in the domestic field. I suggest to my hon. friends that this present clause does not have the implications that they read into it. There was nothing intended by way of creation of the principle or the insertion of the principle of specific detriment. Its intent was to be by way of guidance to the minister as to the proper course to be followed in applying the remedies; that is all. Therefore, I do not want to enter into a great controversy about it, as though a great deal hung on it because not a great deal does hang on it.

We would have to make a fairly lengthy and complicated amendment to meet the suggestion of my hon. friend with regard to the new proposed subsections 4 and 5 of section 32, and since I think the amendment with regard to export trade is clearly distinguishable from the amendment regarding domestic situations I regret that I have to say I do not see any necessity for an amendment and would therefore have to oppose the suggestion.

Mr. Pickersgill: On this particular point I think I must say that on balance I would agree with the minister.

Clause agreed to.

The Deputy Chairman: We will now go to clause 13, section 32.

On clause 13, section 32—*Conspiracy.*

The Deputy Chairman: The Chair has an amendment moved by the hon. member for Burnaby-Richmond.

Mr. Howard: Mr. Chairman, we have had an opportunity at least to spend another half hour looking at the amendment during the supper hour, and on balance I think our position is substantially the same as was expressed in the committee. While we have the greatest concern possible for the economic position of Canada, the need that exists to participate more fully and completely in export markets and the need to be even more and more on the alert to protect ourselves against the economic assault already started by the Soviet union, we feel that our combines legislation is not the place to deal with this sort of thing.

I think I might perhaps disagree with some of the suggestions made by the hon. member for Bonavista-Twillingate and the Minister of Justice, but as was pointed out with respect to subsections 2 and 3 of section 32 it is very easy for an agreement relating to one sort of thing to spill over into something else. I might say here that the economists who appeared before the committee were divided in their opinion on this matter. Some felt it was desirable to deal with it this way and others felt it was not.

I subscribe to the point of view that it is not desirable to amend the combines law to deal with this problem because of the possibility of a slopping over of a conspiracy to fix uniform prices for the export market into the domestic market. When Mr. Hyland, who represented the fisheries council of Canada, appeared before the committee he gave some evidence in this regard. While it relates to an individual group of people in the fishing industry, nevertheless I think it has some bearing on this situation. His evidence is found on page 273 of the proceedings of the committee and starts about half way down the page. Mr. Hyland is answering a question posed to him by the hon. member for Port Arthur and while it has to do with a regulatory trade commission perhaps I should read the whole thing. The passage reads as follows:

> Mr. Fisher: If you have a regulatory trade commission, with some kind of expert knowledge in the development of a background and a history, they might be in a position to make that judgment, might they not? They are doing it in other parts of the act.
>
> Mr. Hyland: One thing of which I am always very much aware, as an individual responsible for the sale of a lot of fish, is that we are not selling anything that anybody has to have. It is well known that the per capita consumption of fishery products in Canada is in the realm of 13 or 14 pounds a year, whereas meat and poultry is more like 150 pounds. And of that 13 or 14 pounds canned salmon is about 2½ pounds. There are many people who do not eat it at all.
>
> Therefore, we recognize that we have to have a price which will sell the product, and where there is the most public benefit involved, if we are to have a healthy industry. We are recognizing the realities of our export marketing, and we are selling the production. We cannot sell it all in Canada. If we encounter a strong market situation in the export field and we get as much as we can for our product—we have people who have no interest whatever in the Canadian market, who do not service the Canadian market, and if they can get $40 a case for sockeye from Great Britain they are not going to sell it to anybody in Canada for $35.
>
> Mr. Fisher: In other words, there is a very close relationship between the world price and the domestic price?
>
> Mr. Hyland: There cannot help but be.
>
> Mr. Fisher: But the world price tends to be set by the export price as long as there is any kind of export market?
>
> Mr. Hyland: Yes, as long as the export price is strong it will bring it up.

I have read extensively so I would not be accused of selecting only one or two comments out of the passage. There is a very close connection between the export price and the domestic price and this slopping over or osmosis as I believe one of the economists called it, is something that happens almost unconsciously. So far as export markets are concerned, these people are primarily interested in the selling price of the product. They are not concerned about distribution or anything else. We are allowing them to conspire to set a uniform price on the export market so they will be able to compete with other countries' prices or be able to get the highest possible price. In our view this price conspiracy so far as export trade is concerned can very easily spill over into the domestic market.

As I say, we are sure it is necessary to take steps to deal with the export trade question. It is the very lifeblood of British Columbia. Fisheries products were referred to a moment ago. The hon. member for Burnaby-Richmond went extensively into the question of the lumbering industry and how dependent we are on the export market. We also export minerals, pulp and paper and a number of other things too numerous to mention. It is necessary for us to engage actively in the export field. We merely say that this is not the place to legislate in that regard. We think it should be no part of our combines legislation but rather that other arrangements should be made to promote and enhance our export markets through state organizations or by means of assistance or guidance. For this reason we are opposed to the amendment before us at the moment.

Mr. Pickersgill: Before the minister replies I should like to say a word or two. Having supported the hon. member for Skeena in his desire for additional time to look at the amendment, I have looked at it again and the more I look at it the more I am satisfied that paragraph (d) of the proposed subsection 5 does really safeguard the position about which the hon. member is genuinely and properly worried, namely that some kind of combination in the export field, which need not necessarily be a combination for uniform prices, is likely to result in a similar combination in the domestic field. It seems to me it is quite clear that if it does there is no defence under this amendment if it can be properly applied because it says that subsection 4 does not apply if the conspiracy combination, agreement or arrangement has lessened or is likely to lessen competition unduly in relation to an article in the domestic market. For that reason, I warmly support the amendment. Indeed, I thank the government for accepting our suggestion that they should deal with this matter this year instead of waiting for another year.

Mr. Aiken: Mr. Chairman, I should like to make a few remarks in connection with the export market, particularly in relation to the amendment which has been introduced. I think the first thing I should say, in reply to the hon. member for Skeena with reference to the price arrangement made by the fisheries council and the lumber industry, is that in essence the arrangement they tried to make with regard to their export market was to try to set as low a price as it was possible for them to set and still make a reasonable profit. I think there is a great deal of difference between the arrangements that these exporters have outlined in their brief and the arrangements that we normally consider as detrimental under price fixing legislation. As I understand the proposition that is made by the fisheries council, and I want to read some extracts from the brief they submitted, it is made to meet competition in the export market for canned salmon. They found that they were competing against persons who had either state control price-fixing systems or some cartel arrangement within the country which fixed export prices.

As I recall it, each year different groups of the fisheries industry were called upon by importers from other countries who asked what the price of canned salmon would be that year, that is, what the Canadian price would be. They must set the lowest price possible in order to get into the export market. I think to that extent there is a difference between what we are normally concerned with in price-fixing arrangements, and these arrangements, because under normal price-fixing arrangements the price is a little higher than one would normally expect. I feel that in this case it is more a situation in which Canadian exporters as a whole agree on a price they can follow in the export market, and this does not mean basically a combine.

I should like to read a passage from the brief of the fisheries council of Canada which was presented to the committee on June 22 of this year. It reads as follows:

> Both the fisheries council of Canada and the fisheries association of B.C. strongly support the recommendation of other important export industries that the realities of competitive export marketing should be recognized in Bill C-58. If it is necessary or desirable for Canadian export industries to reach group decisions and policies covering export marketing, such activities should be clearly exempted from the provisions of the Combines Investigation Act.
>
> Canada is an important fishing nation and the catching, processing and marketing of our various

species of fish contributes importantly to the economic life of many Canadian communities. In many areas it is the predominant source of revenue.

An important feature of this great national industry is that approximately two-thirds of its annual production is exported to markets outside of Canada. The fisheries of British Columbia, with which I am most familiar, provide no exception to this national pattern. Since the inception of the canned salmon industry in British Columbia in 1870 the industry has always depended on export marketing to absorb 50 per cent or more of its annual production. Up until the outbreak of world war II between 60 and 65 per cent of each year's pack was sold in export markets.

Farther along in the brief, it is pointed out, as I have previously mentioned:

For several reasons our industry has found that an industry approach to export marketing rather than an individual canner approach has enabled the canned salmon industry to compete successfully in export markets with the other canned salmon producing nations. I would enumerate these important reasons as follows:

(1) Canned salmon enjoys sufficient demand in the major markets of the world to qualify as a commodity of world trade and to have a world market price based on world supply and demand.

(2) Canada is one of four countries of supply, the other three being Japan, U.S.A. and Russia. The production of these countries in most instances has an equal or greater influence on world price structure than the Canadian production. The Japanese suppliers are organized into an effective export cartel. There is a "one desk" sales organization—

Mr. McIlraith: I wonder if the hon. member would permit a question?

Mr. Aiken: Yes.

Mr. McIlraith: Can he give us the page reference to the committee evidence from which he is reading?

Mr. Aiken: I am reading directly from the brief which was presented to the committee on June 22. What I am reading from the brief has been copied into the committee report at the bottom of page 266.

Mr. McIlraith: I think, in all fairness, I should point out that the hon. member for Parry Sound-Muskoka is following precisely the practice to which the minister objected earlier.

Mr. Fulton: What minister?

Mr. McIlraith: The Minister of Justice objected to the reading from committee evidence at length.

Mr. Fulton: No, I pointed out when I was accused of having selected certain passages, that hon. members opposite had placed so much of the committee evidence on the record I could hardly be accused of being selective.

Mr. Howard: You mean one hon. member.

Mr. Aiken: In order to satisfy the technical point raised by the hon. member for Ottawa West, I would be glad to continue my reading from the committee evidence at page 266. When I was interrupted, I believe I was quoting from paragraph 2.

There is a "one desk" sales organization and prices are set to secure for Japan the share of total world demand which is required to move the annual pack. As there is virtually no domestic market for Japanese salmon it is nearly all destined for export markets. Russian canned salmon prices are named by a state trading agency.

Now, Mr. Chairman, I should like to go on with the reading of the brief. I have these passages marked in the original brief, and I will try to find them in the committee evidence. The next section I should like to read is at the top of page 268 of the committee evidence, and reads:

I believe that the practice of the canned salmon industry in making important decisions on export marketing on a group basis has been fully justified by the results achieved. The record of the British Columbia salmon canners in the competitive field of export marketing has stood the test of experience. Under very difficult circumstances, access to important markets has been retained or expanded. Industry planning has never lost sight of the fact that the availability of export markets is of great importance to the industry. Consequently, today, Canadian canned salmon enjoys as secure a position in world trade as at any time in the history of the industry. It is my sincere conviction that such a position is very much in the national interest.

Then I should like just to quote the evidence from the fisheries council. At the bottom of page 268, in summarizing, they say this:

It is my sincere conviction that it would be a serious error to handicap Canadian exporters by imposing restrictions on their marketing activities, the successful prosecution of which is so important to all Canadians.

I think all of us in the committee were impressed with the evidence by the fisheries council of Canada. Following the presentation of the brief there was a good deal of questioning as to the effect which the export market limitations would have on domestic markets. The fisheries council brief was followed on the same day by the brief of the council of forest industries of British Columbia. Here again, Mr. Chairman, as I have marked the original brief I will just try to find the evidence given in the committee. I cannot find it at the moment but I have the place marked in the original brief presented by the council of forest industries of British Columbia in their comments on the export trade.

During the three years that have elapsed since the present government took office, the Right Hon. the Prime Minister, the Secretary of State for External Affairs, the Minister of Finance, the Minister of Transport and other ministers have stressed on numerous occasions the desirability and necessity for action leading to or directed towards the improvement of Canada's export trade and correcting the deficit in such trade. The major export industries in British Columbia, of

which the forest industry is the most important, are concerned over the fact that the freedom of action which they consider necessary to enable them to compete successfully in world markets will be threatened unless something is done in the new combines legislation to reassure businesses engaged primarily in the production of goods for export.

These two briefs were discussed in the committee. After the brief had been submitted and when the bill was being discussed section by section, certain comments were made by members of the committee. First, I should say that the amendment which is before us probably does not go as far as the industry would like it to go. However it recognizes the fact that the people in the export industry have a problem and that the government is facing that problem and giving some recognition of the difficulties which they face. They have to meet competition and they have to meet it effectively if Canada is going to stay in the export market. In committee an amendment was moved by the hon. member for Bonavista-Twillingate. I think it should be pointed out that while there was a considerable amount of discussion among other members present, the hon. member for Bonavista-Twillingate produced first an amendment which was not passed but this is the way in which it read. I should like hon. members to note the rather vague language in which it is phrased. Although the intent was good, the committee did not feel at that time that it carried out what was wanted. The hon. member would have made an amendment something like this:

In determining whether any offence under section 32 or 33 has been or is being committed, the court shall not find the accused guilty if it is of the opinion that the offence charged relates mainly to the export trade and the development of Canada's market outside Canada and that the offence charged does not otherwise contravene the provisions—of the act, as it affects domestic markets within Canada.

I am sorry, Mr. Chairman, but I am reading the wrong reference.

An hon. Member: Take it as read.

Mr. Aiken: The amendment made by the hon. member for Bonavista-Twillingate is found at page 748 and reads:

(2) In determining whether any offence under section 32 or 33 has been or is being committed, the court shall consider the best utilization of Canadian resources to meet the requirements of the export trade and the development of markets outside Canada.

We felt that the phrase "the best utilization of Canadian resources" would be one which would be virtually impossible for any court to interpret. The court itself would be obliged to try to determine exactly what was meant and we felt—or certainly I did so—that it was the place of the legislature to set this out in detail.

Then I made a suggestion as to the amendment of the hon. member for Bonavista-Twillingate which I read in error a few minutes ago and I will not read it again. The minister at that time undertook with the committee that while he could not accept either the amendment moved by the hon. member for Bonavista-Twillingate or the proposal I made in substitution, that he would take them under consideration.

I feel that the amendment which has now been produced is one which will have the effect that the committee wanted and I think that hon. members should be entirely in agreement with the wording which the minister has now proposed.

Mr. Morton: I know that hon. members of the committee are very anxious to complete this bill—

Mr. McIlraith: Except the government.

Mr. Morton: —now that we are so near the end. In view of the fact that the hon. member for Skeena rather dismissed the argument in favour of improving our export trade as somewhat emotional, especially after the plea of the hon. member for Bonavista-Twillingate, I thought it would be better to put on the record, as quoted in the committee, the actual methods of competition which are expected from the trade in order to show that far from being an emotional problem, it is a realistic problem. I should like to quote from the minutes of proceedings and evidence of the standing committee on banking and commerce at page 267, at which Mr. J. N. Hyland, during his outline of the brief, quoted a letter which had come into his hands addressed to some of the competitors. It is a letter from a Japanese trading company dated July 2, 1959. The heading is "Cartels unofficial announcement of opening prices for 1959 pack Japanese salmon".

At a meeting held today of canned salmon exporters, Japan Canned Salmon Sales Company (The "Cartel") has made unofficial announcement of the opening prices for 1959 pack Japanese canned salmon as per a list enclosed herewith.

Please understand that the above announcement is not official and the new prices are still subject to slight alteration depending upon the opening prices to be fixed by Canadian and U.S.A. salmon industries. Nevertheless we have every reason to believe that at least the first sale to U.K. as well as to other markets such as Australia, Belgium, Holland, etc. will be made at these prices—probably from mid-July through August.

Please take note also that we are not allowed to make firm offers pending the final official decision of sales scheme by the cartel, expected within a few weeks. As soon as we are in a position to make offers, we will communicate with you

In other words, these gentlemen wait until the Canadian companies determine their prices, and then they sell.

Then, on page 293 of the proceedings of the committee on banking and commerce is set out the methods by which the Russians deal in the lumber industry. Mr. Nicholson giving evidence before the committee had this to say on that subject:

> Prior to the war, and in fact up until 1954, Canada was Britain's leading supplier of soft wood products—lumber, shingles, and material of that kind. That is, as late as 1954 it was the leading supplier. By 1957 Canada's share of the United Kingdom imports had dropped to 14.7 per cent and Canada's position was that of fourth place supplier of products to the building industry in Britain. We had been replaced successfully by Sweden, Finland and Russia. During this period when the Canadian sales were dropping off, the Soviet of Russia had increased her sales from one-tenth to one-fifth of the total of the United Kingdom's soft wood importation. In the case of the Swedish and Finnish importers they were trading at a profit. Their objective was to make a profit, but their operating costs were lower because wages were lower. That was not so in the case of Russia, when they came in and took that market. I am reliably informed by an official of the Department of Trade and Commerce—this can be checked by reference to the minister or other officials of that department—that the Russian technique in invading the British market is that they will come in with a particular type of lumber which is in demand and, even though the lumber may be needed at home in Russia, they will quote to supply the whole demand at a price that is better than the Canadian price for a particular kind of lumber. It is even better than the Swedish and Finnish prices in some cases. Then if you repeat the order they will give you a further reduction. That is not done by any cartel. That is done by a government trade agency.

Now we see the two methods of competition we are up against in our export trade and we are caught between our desire to protect the Canadian consumer from monopolies which may work within Canada and our desire to give our manufacturers full freedom to compete in the export trade which is so essential to the growth of our country. It is becoming increasingly apparent that something must be done to promote the ability of our companies to compete on international markets.

The hon. member for Skeena has said it is not a matter to be dealt with in this bill. Perhaps that is so. It is a matter which could perhaps be dealt with by other methods but this bill should not be used so as to hamper their task of exporting goods to all parts of the world. Therefore I believe that for the good of this country, without lessening the protection we have provided to our consumers, we should give all the help we can to those companies which export goods abroad. Perhaps another bill to this end might help in this direction.

Mr. Pickersgill: Are we to have this parliament turned into a farce at a time when we are being asked to work 56 hours a week?

The Chairman: Does the hon. member rise on a point of order?

Mr. Pearson: I have just one observation to make, and I should like to address my remarks to the minister. In view of the fact that the government has moved this amendment, that it has been accepted by the opposition and that the C.C.F. has made its position known, does the minister not think that we might now pass this bill through committee so that the house might tonight consider a resolution designed to improve the situation of old age pensioners?

Some hon. Members: Order.

Mr. Pearson: How can the minister explain this filibuster against this bill which is being conducted by his colleagues.

Mr. Fulton: I assume I can answer the question asked by the Leader of the Opposition.

The Chairman: I would think that the only way the remarks of the Leader of the Opposition would be in order would be if the hon. gentleman had risen on a point of order. I must say I cannot find that his remarks are relevant to the amendment before the committee.

Mr. Fulton: I suppose they would have been in order if the Leader of the Opposition had put his question in another form—if he had asked, perhaps, when we expected that the committee stage might be concluded and whether we would ask for third reading of the bill tonight, and that sort of thing. That would have been quite in order, and I take it that is what he had in mind. I should like to answer him by saying that I thought when one or two members had concluded their observations on this amendment and on the question of Canadian export trade I might then make a comment or two in reply and express regret that the C.C.F. party had not been able to accept the amendment.

I do not know why it should be suggested by the Leader of the Opposition that there is no right of speech to be enjoyed by government supporters. It is really a very extraordinary suggestion. I think it is proper for me to observe that government members, by and large, have been very restrained in this committee, both yesterday and today, in the use they have made of their right to speak, especially in the light of the extraordinary and unreasonable strictures that the opposition have expressed with regard to this bill. Our members have shown a remarkable restraint and now, on one of the most important

subjects dealt with in this measure, the amendment dealing with the export industry, when our members open their mouths what do we find? The opposition is still trying to apply closure and suggesting that a private member, just because he happens to be sitting on the government side, has no right to speak. That, of course, is not the way that this government believes in operating parliament.

Mr. Pearson: We know what you are doing —sound and fury.

Mr. Fulton: If my friend will restrain his impatience and remember the proper parliamentary practice he will find that our hon. members will be mindful of the desirability of disposing of this matter. But on the other hand they have every right to take the few moments available to them now to express themselves on this important subject. I do not think it is very seeming to suggest that they be choked off.

Mr. Martin (Essex East): Mr. Chairman, it surely is open to any hon. member to question why a particular procedure is being followed at a particular time.

Mr. Pallett: Come off that.

Mr. Martin (Essex East): It is apparent that in the last while we have had speeches designed only for one purpose.

Mr. Kucherepa: The hon. member is imputing motives and he cannot do that.

Mr. Martin (Essex East): Hon. members are eager to ensure that we do not state that purpose.

Mr. Fulton: Mr. Chairman, may I remind the hon. member of the rule against attributing motives.

Mr. Martin (Essex East): I am trying to help the minister in his purpose.

Mr. Fulton: I am trying to help you in preserving order.

Mr. Martin (Essex East): If hon. gentlemen have decided to contribute to the merits of the particular discussion, of course, there can be no quarrel.

Mr. Bell (Saint John-Albert): Are you?

Mr. Martin (Essex East): But every hon. member, including the Minister of Justice, who has spoken in the last three quarters of an hour has associated his remarks with meaningful smiles indicating how proud he is at the success of the obstruction in which they are indulging.

Some hon. Members: Oh, oh.

Mr. Aiken: Mr. Chairman, I rise on a question of privilege.

[Mr. Fulton.]

Mr. Martin (Essex East): There we are. Mr. Chairman, it is surely open to the Leader of the Opposition—

Mr. Aiken: Mr. Chairman,—

The Chairman: Order. I am endeavouring to ascertain if the hon. member for Essex East is speaking to the point of order.

Mr. Legere: He is engaging in a diatribe.

The Chairman: If the hon. member for Essex East is speaking to the point of order I must listen to him before listening to the question of privilege raised by the hon. member for Parry Sound-Muskoka.

Mr. Martin (Essex East): Mr. Chairman, as I indicated at the outset I am seeking to deal with the point of order that was raised by the hon. member who has just taken his seat.

Mr. Drysdale: I rise on a point of order, Mr. Chairman.

Mr. Martin (Essex East): I am speaking to a point of order.

Mr. Speakman: Make your point.

The Chairman: I must ask the hon. member for Burnaby-Richmond to resume his seat because I cannot listen to more than one point of order. The hon. member for Essex East has the floor.

Mr. Woolliams: Let us make it a genuine one.

Mr. Martin (Essex East): Thank you, Mr. Chairman. The point of order is that hon. gentlemen are engaging in a consideration of this matter for only one purpose and that is, as the Leader of the Opposition said, to prevent a discussion—

Mr. Kucherepa: The hon. member should know better.

Mr. Martin (Essex East): —of a measure to improve the situation affecting our senior citizens, to prevent a discussion of old age pensions. That is clear. This is the worst filibuster of the session.

The Chairman: Order. I cannot say that the remarks of the hon. member for Essex East or those which preceded them are in order because it is not in order for an hon. gentleman to impute motives to any other hon. gentleman who speaks in this chamber.

Some hon. Members: Withdraw.

Mr. Speakman: That is what he did.

The Chairman: If the committee is willing to resume the discussion on the amendment perhaps we could proceed. I recognize the hon. member for Parry Sound-Muskoka.

Mr. Aiken: I have a question of privilege, Mr. Chairman. I am one of the hon. members who spoke in the last 45 minutes. The hon. member for Essex East has said that I made my speech insincerely with a smirk on my face, or used some such words, and that I rose only to waste time.

Mr. Fulton: Not only are we not allowed to speak but we are not allowed to smile now.

Mr. Aiken: I have sat in this chamber for over three years now, and I have never stood on my feet to make any speech that was not sincere since I arrived here.

Some hon. Members: Hear, hear.

Mr. Aiken: I have a very great interest in the export market. This question came up in the committee. I also spoke on it yesterday and felt I should address myself to it again today. Although I was interrupted by the hon. member for Ottawa West on a question of privilege I nevertheless took 25 minutes. If the hon. member for Essex East thinks I was insincere I should simply like to tell him that I was not and if there is any question of insincerity I think the hon. gentleman should consider his own position.

Mr. Martin (Essex East): Mr. Chairman, I did not say that the hon. gentleman—

Some hon. Members: Yes, you did.

The Chairman: Order.

Mr. Martin (Essex East): Mr. Chairman, I did not say that the hon. gentleman was insincere. If he is now telling us that he was I can only tell him that I never doubted it. I have no hesitation in saying, however, that that sincerity accompanied his reading of minutes of the committee that had nothing to do with argument.

Mr. Kucherepa: The hon. member for Hull read for hours the other day. What malarkey. Read *Hansard.*

Mr. Morton: Mr. Chairman, I wish to associate myself with the remarks made by the hon. member for Parry Sound-Muskoka in raising a question of privilege concerning what was said by the hon. member for Essex East. This is not the first time that the hon. member has imputed such motives to members on the government side. Just because hon. members on this side exercise their right to speak the hon. member for Essex East—

The Chairman: Order. I thought the hon. gentleman was rising on a question of privilege.

Some hon. Members: He is.

The Chairman: I would ask the hon. member to state immediately what are the words to which he objects.

Mr. Morton: Mr. Chairman, I said that I associate myself with the hon. member for Parry Sound-Muskoka in speaking in respect to the reflections cast upon us by the hon. member for Essex East.

Mr. Drysdale: He is smiling now. Look at him.

Mr. Starr: Look at the hon. member for Essex East laughing.

Mr. Morton: This is not the first time the hon. member has cast such reflections nor is it the first time I have had to rise in this chamber on a question of privilege with respect to the reflections he cast. I feel as does the hon. member for Parry Sound-Muskoka that it is both unfair and unparliamentary for this experienced parliamentarian to take advantage of those of us who have not been in this chamber very long in trying to cast these reflections upon us simply because we exercise our right to speak which is one of the purposes for which we were elected.

Mr. Pearson: Mr. Chairman, on a point of order, no one on this side desires to reflect in any way on the sincerity of the two hon. gentlemen and the smiles which were mentioned as being displayed on their faces was merely an indication of their intense interest in our export trade.

Mr. Howard: Mr. Chairman, I rise on a question of privilege. Since I was one of those who spoke in the last three quarters of an hour I want to inquire of the hon. member for Essex East if he included me in his reference.

Mr. Martin (Essex East): No, Mr. Chairman, I was not looking toward the hon. gentleman. My eyes were directed westward.

Mr. Woolliams: Which eye?

Mr. Drysdale: Mr. Chairman, I hope my remarks will not be considered irrelevant. I merely wish to speak to the amendment. I should point out to the committee that I rose and then the hon. member for Bonavista-Twillingate arose and in deference to that hon. gentleman's seniority and experience I resumed my seat. As a result of that I have been unable to make my contribution to the debate until this time.

Allegations were made by members of the opposition, who in my opinion spent a considerable time this year on irrelevant discussions, and they seem to take objection when hon. members on the government side rise to set forth their points of view. I spoke

once this afternoon, and I was prompted to rise at this particular time because the hon. member for Skeena alleged in his statements that the Combines Investigation Act was not a suitable place in which to include this particular amendment.

I have done a great deal of study on the particular matter concerning exports. I feel very strongly about it; I feel that this amendment is a tremendous contribution toward the economic policy of Canada and toward keeping Canada one of the world's first export nations. Because of the remarks made by the hon. member for Skeena I feel it is important to set the record straight. Unfortunately my hon. friends in the opposition seem to feel that if there is anything said that is critical of the attitude taken by them then closure should be applied and we are not entitled to set forth our points of view and refute the statements that have been made.

I rose because the hon. member for Skeena made this particular allegation, and when I was contemplating the question of exports I thought it should be clear to the committee that the problem was raised with regard to the inquiry into the fish industry. I think the difficulty with regard to exports and the very reasonable difficulty in the minds of most people in the fisheries, forestry and other industries, who presented their briefs before the committee, was in the reference made by the combines director, and this is found on page 311 of the banking and commerce committee report. I have the summary here, which is referred to, and this is what it says:

> It is my further allegation that during the period from August 1954 to June 1956 the following were parties to agreements or arrangements relating to the export market which had the effect of enhancing prices or otherwise preventing or lessening competition in the production, supply and sale of Canadian salmon for the domestic market to the detriment, or against the interest of the public, and during the same period agreed or arranged to prevent or lessen unduly competition in such products.

This was the particular matter which brought forth the doubts as to the question of the export trade. Up until the time this particular statement had been made it was the opinion of the majority of lawyers, generally speaking, that the Combines Investigation Act did not apply to exports. When this allegation was made in the fish inquiry some doubt was cast on the particular situation, and to indicate clearly what the doubt was I think further reference should be made to the committee reports.

Mr. Hyland, who was the director of the fisheries council of Canada, and who testified before the committee, said, as reported at page 269:

> Our industry has been investigated, and we are in receipt of a statement of evidence and allegations from the director of investigations which alleges that our activities in export marketing have had an influence on domestic prices. Therefore, we are in violation of the act. It is for that reason that we are particularly concerned about the question.

Further on, on the same page, Mr. Hyland states:

> It was clearly stated that our activities in export marketing and the fact that we did arrive at common policies, common prices for our export quantities of canned salmon, had the effect of enhancing domestic prices and therefore we were in violation of the act.

On page 278, Mr. Hyland states:

> We are already suspect now. It has been alleged that what we have done in the export field has had a detrimental effect on the Canadian public, and we feel that this is an effective and a successful way of marketing our product, and we do not want to continue doing it under a cloud. Therefore, that is why we are suggesting that the new act should make it clear that activities of this kind are not in contravention of the act.

Mr. Hyland then went on to state further that this pattern of setting prices for the export industry had gone on for the last 60 years. He stated specifically on page 282, and I think it is of some help to the committee that the questions and answers be put on the record:

> Mr. Horner (Acadia): Is there any competition in setting the export price between the four or five large companies or do they all sell at the same price?
>
> Mr. Hyland: The whole objective of the export fisheries committee is to arrive at uniform export prices.
>
> Mr. Horner (Acadia): Have you always been able to do it?
>
> Mr. Hyland: It has been the pattern in the industry in the last 60 years.
>
> Mr. Macdonnell: No question has been raised?
>
> Mr. Hyland: No question has been raised.

Mr. Hyland also pointed out at page 284 that the export price tends to influence the domestic price. Among the reasons for the industry approach to the export market rather than by individual canner approach was the reason that it is necessary to enable the canned salmon industry to compete successfully in the export markets with other canned salmon producing nations. Another reason given by Mr. Hyland at page 287 is as follows:

> My experience in the marketing of canned salmon leads to the conclusion that the domestic price of any commodity which is exported in material quantity cannot be isolated from the world price. This is true whether the commodity is fish, lumber, pulp, copper, aluminum or newsprint.

These statements were made by somebody who was involved in the fish inquiries and in summary it was his opinion that the export trade was completely fair. Some doubt

arose at the last session and the minister brought in an amendment at that particular time which amended section 23 of the act to provide for negotiations between the fisheries associations and the fishermen, but there is no provision made in this particular section. Perhaps it might have been an oversight, but no mention is made in this particular section about maintaining the status quo with regard to fishing companies which were engaged in the export trade.

As Mr. Hyland stated, they have carried on this practice for the last 60 years and they carried it on in good faith. This question was raised by Mr. MacDonald, the combines director, and I think quite rightly under the circumstances and under the present legislation. Nevertheless a doubt was raised as to the status of those particular companies with respect to their dealings in the export industry and I feel that the companies and the people who appeared before us wanted to have it perfectly clear that what they were doing was entirely within the realm of the law.

To emphasize the position I think reference should be made particularly to the decision of the Supreme Court of Canada in Howard Smith Paper Mills Limited *v.* the Queen, 1957 Supreme Court Reports at page 403. I should like to refer particularly to the statement of Mr. Justice Taschereau at page 406. Incidentally, I might mention that this is the latest supreme court case dealing with this matter, or it is the case that comes closest to this particular matter because, as was said earlier in the committee, there never has been any case dealing specifically with the export market. But I feel that the principles enunciated in this particular case would apply to any company involved in the export trade. Mr. Justice Taschereau is reported as having said at page 406:

> It has been argued on behalf of the appellants that the offence is not complete, unless it has been established by the crown beyond a reasonable doubt, that the agreement was detrimental to the public, in the sense that the manufacture or production was effectively lessened, limited or prevented, as a result of the agreements entered into. It has also been suggested that there is no offence, if it is shown that the acts complained of were beneficial to the public. With these submissions I entirely disagree. Conspiracy is a crime by itself, without the necessity of establishing the carrying out of an overt act. Stephen (Digest of the Criminal Law, 9th ed. 1950, p. 24), basing his opinion on Regina *v.* Whitchurch, et al. (1), goes as far as saying:
>
> "When two or more persons agree to commit any crime, they are guilty of a misdemeanour called conspiracy whether the crime is committed or not, and though in the circumstances of the case it would be impossible to commit it."
>
> The public is entitled to the benefit of free competition, and the prohibitions of the act cannot be evaded by good motives. Whether they be innocent and even commendable, they cannot alter the true character of the combine which the law forbids, and the wish to accomplish desirable purposes constitutes no defence and will not condone the undue restraint, which is the elimination of the free domestic markets.

I feel I should also quote the statement of Mr. Justice Cartwright in the same case at page 426.

> In essence the decisions referred to appear to me to hold that an agreement to prevent or lessen competition in commercial activities of the sort described in the section becomes criminal when the prevention or lessening agreed upon reaches the point at which the participants in the agreement become free to carry on those activities virtually unaffected by the influence of competition, which influence parliament is taken to regard as an indispensable protection of the public interest; that it is the arrogation to the members of the combination of the power to carry on their activities without competition which is rendered unlawful; that the question whether the power so obtained is in fact misused is treated as irrelevant; and that the court, except I suppose on the question of sentence, is neither required nor permitted to inquire whether in the particular case the intended and actual results of the agreement have in fact benefited or harmed the public.
>
> In other words, once it is established that there is an agreement to carry the prevention or lessening of competition to the point mentioned, injury to the public interest is conclusively presumed, and the parties to the agreement are liable to be convicted of the offence described in section 498 (1) (d). The relevant question thus becomes the extent to which the prevention and limitation of competition are agreed to be carried and not the economic effect of the carrying out of the agreement. In each case which arises under the section the question whether the point described has been reached becomes one of fact.

I would suggest that if Mr. Hyland's evidence before the banking and commerce committee is read in conjunction with the statements in the Howard Smith case we will see that Mr. Hyland has raised a reasonable doubt whether the particular companies are in violation of the present Combines Investigation Act. In my opinion the amendment brought forward by myself, based on technical advice from the minister and his assistants, has the effect of clarifying the situation and, as the minister said earlier in introducing the bill, one of the prime objects was to clarify this particular situation.

The evidence given by Mr. Hyland was reinforced by the evidence given by Mr. Nicholson on behalf of the forest people.

I believe that the contention made by the hon. member for Skeena that the Combines Investigation Act is not a suitable place for this amendment is completely erroneous. I have put this information on the record although a great deal of it was tendered before the committee and, although as a government member I have taken up the time of the committee in speaking on the floor of the house, I hope that hon. members do not

object too much because if they will consider the relative amount of time taken in this chamber they will find the time I have taken is negligible. I believe that government members also have a contribution to make and, having put the situation clearly on the record, I think there is every justification for the committee to pass this particular amendment.

Mr. Howard: Mr. Chairman, inasmuch as the last two, or three—

Mr. McIlraith: Three.

Mr. Howard: —readers, or perhaps I should say speakers, have referred to me and what I said, I think perhaps it is only fitting that I should say a word or two in reply. It is still our contention that this is not the place to deal with this particular problem, and I think there is sufficient evidence to support that view which can be found in the evidence of the witnesses who appeared in support of those with a specific interest in the export trade and who advocated some reference in the act to protect them in respect of their activities in conspiring to fix prices in the export market. Perhaps I might be permitted to read a few short references. I will not do so to the same extent as hon. members who have preceded me.

I wish to refer to the evidence of Mr. Hyland as found on pages 282 and 283 of the proceedings of the committee, No. 4. The hon. member for Burnaby-Richmond made some reference to questions found on this page and I should like to carry on. The witness was being questioned by the hon. member for Acadia. Incidentally, the hon. member for Acadia had been asking Mr. Hyland certain questions about the functions of the fisheries association, how it operated and what relationship there was between its arrangements with respect to export prices and its arrangements, if any, as to domestic prices. The passage reads as follows:

Mr. Horner (Acadia): How do these same companies arrive at a price for the Canadian market?

Mr. Hyland: I do not know whether or not I am in a position to discuss this. Certain allegations have been made against the industry in that regard. Mr. Macdonnell, of course, is very aware of them.

While the use of the name "Macdonnell" would indicate that Mr. Hyland was referring to one of the members of the house, I think he was perhaps referring to Mr. MacDonald, the director of research and investigation.

Mr. Drysdale: No, that is right.

Mr. Howard: The hon. member for Burnaby-Richmond says "That is right". What does he mean?

Mr. Drysdale: I believe he was referring to the hon. member for Greenwood.

[Mr. Drysdale.]

Mr. Howard: That may well be. I continue:

The Acting Chairman: Is it under investigation now?

Mr. Hyland: It is not under investigation, but we are still awaiting the outcome of hearings.

The Acting Chairman: Perhaps under those circumstances the witness should not be asked to make any statement.

However, this theme was developed regardless of whether Mr. Hyland wished to make any statement. In any event, at an earlier stage of the proceedings, to which I will make reference, Mr. Hyland did mention the close relationship between the export price and the domestic price: I continue:

Mr. Horner (Acadia): I am not going to try to draw out information which may be detrimental to you in any investigation. I just wondered if it would not have an effect if they knew at what price company "A" was going to sell its product overseas. They would know for what company "A" sold its product on the Canadian market, and that would pretty well narrow it down. They could say that company "A" would sell its product within two or three cents of such and such.

Mr. Hyland: Since 1953 I believe we have successfully divorced those two areas of marketing, domestic and export. What the individual companies do in the domestic field is their own prerogative and there is no exchange of information or opinion in that area.

Perhaps it is quite true there is no exchange of information or opinion in the domestic area. I submit there does not have to be. The exchange of information has already taken place with respect to the export field. That is where the exchange of prices, statistics and so on takes place for the purpose of establishing a uniform price for the sale of any particular pack of salmon. However, as found on page 267, Mr. Hyland was then presenting his formal brief. He had read the letter from the Japan Canned Salmon Sales Company known as the cartel and was dealing with important reasons why there should be an industry approach to export marketing. He went on to say:

My experience in the marketing of canned salmon leads to the conclusion that the domestic price of any commodity which is exported in material quantity cannot be isolated from the world price. This is true whether the commodity is fish, lumber, pulp, copper, aluminum or newsprint. In this connection it should be emphasized that the factors of world supply and demand can work to reduce domestic prices as well as increase them.

Then he goes on to give examples which occurred in the period 1947 to 1953 when the domestic prices of canned salmon increased a certain percentage as compared with the increase in the combined food commodities index. The point here is that on the one hand Mr. Hyland says they have successfully divorced the relationship between the conspiracy in the export market concerning the prices at which they sell and the prices at which they sell on the domestic market; that they do not exchange statistics in so far as the

domestic market is concerned. I submit it is not necessary for them to exchange information as to what the price is on the export market because Mr. Hyland himself said, in his initial brief, that the domestic price of any commodity cannot be isolated from the world price.

I would point out that any brief is usually well prepared and well thought out in order to get the exact point of view across. We should, therefore, place a little more importance on what is said in the brief than what is said in answer to a question when the answer is given, so to speak, off the cuff. I think this brief carries more weight and should have a little more attention paid to it than the off the cuff answer. I am not saying Mr. Hyland would have given any different answer to the hon. member if he had sat down and prepared it sometime in advance. However, on the one hand he says, we have divorced the relationship, there is no connection, we do not exchange prices in the domestic field and we have not done so since 1953; we only do this in connection with the export market, which is isolated.

On the other hand, he says that his experience in marketing canned salmon leads him to the conclusion that the domestic prices of any commodity which is exported in material quantity cannot be isolated from world prices. I say that they had engaged in an arrangement to establish the selling price for the export market and this price is influenced by factors outside of Canada, influenced by the volume of the pack in other countries, influenced by the demand that exists or is built up by importing nations, influenced by the desires of the other nations, such as the Soviet union. There are a number of factors that influence export prices.

In any event, the desire of the fisheries association has been for many, many years, and apparently still is, to arrange or agree on export prices. By his own admission Mr. Hyland makes it clear that the domestic prices can be influenced by these prices. There is this question of osmosis, as I think Dr. Skeoch called it, the spilling over of the results of agreements in the export field into the domestic field. Naturally there is no need to exchange statistics in the domestic field because by Mr. Hyland's own admission the domestic price is established by the export price. I submit that if we give legislative sanction, as this amendment proposes to do, to this practice, namely that in a prosecution under subsection 1 the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to the export of articles from Canada we will be, by the admission of Mr. Hyland, allowing them to conspire to set prices in the domestic field. Then we will have a difficult time attempting to discover this sort of thing.

This, incidentally, is one of the reasons why I say this provision should not be part of the arrangements under the Combines Investigation Act, but should have been looked at many months ago by this government, if it had any foresight in these matters, and dealt with in a far better way in different legislation. In any event perhaps the minister could reply to these things, specifically to the reference I made earlier today with regard to whether he feels there is perhaps a conflict between the amendment proposed now and other parts of the bill which have already been passed. Now, the proposed subsection 5 reads:

(5) Subsection 4 does not apply if the conspiracy, combination, agreement or arrangement

(a) has resulted or is likely to result in a reduction or limitation of the volume of exports of an article;

(b) has restrained or injured or is likely to restrain or injure the export business of any domestic competitor who is not a party to the conspiracy, combination, agreement or arrangement;

So far as I can recall I do not believe there is any other reference to volume in the bill. I believe there is a reference to quantity or quality. For instance, there is a reference to quantity or quality in subsection 2 of the very same section that this proposal would amend. I should like to hear from the minister as to whether or not, for the sake of uniformity and clarity, there should not be a deletion of the word "volume" and substitution therefor of the words "quantity or quality". If a case were to go to the courts there would be more certainty in the mind of the court if we were talking about the same thing in each case instead of the words being different.

Then in paragraph (b), to which I have already referred, there is the phrase "domestic competitor". I wonder if the minister does not think that the word "domestic" is redundant. This provision could only have territorial effect.

I should like to have the opinion of the minister also with regard to paragraph (c) which reads:

(c) has restricted or is likely to restrict any person from entering into the business of exporting articles from Canada;

It is the words "from entering into the business" about which I am concerned. I wonder whether there should not be an alteration here, especially in view of the fact that subsection 3, paragraph (d) refers to "entering into or expanding a business in a trade or industry". We are merely providing for the restriction of any person from entering into a business and excluding from consideration the person who is already in

business but who is prevented from expanding. I feel that these circumstances should be looked at also.

Then I posed other questions to the minister. I point out that these provisions just affect a combine of companies in Canada and relate to their specific effect on Canadian consumers. Since we are thinking in terms of the export market in which we run up against international cartels, I wonder whether some examination should be made of this aspect of the matter. I understand there was an extensive examination and study made in 1945 under the Department of Labour of the effect of international cartels on Canada, and the relationship of international cartels to the domestic market. This has been the subject also of extensive study under the United Nations and by international conferences, and is an extremely complex subject.

This is something which would require a bit of examination and study because of the variety of effects that can accrue to a nation from the operation of international cartels. These cartels can affect our imports; they can affect our exports, the amount we export and the price at which we export, whether or not the companies are subsidiaries of other companies which are in international cartels.

This is another phase of an extremely broad and complicated problem that I think requires a great deal of examination. However, in this regard I wonder what effect, if any, this proposed amendment would have. Would it allow a relationship between a Canadian company or a conspiracy between a Canadian company and an international cartel owing to the fact that imports into Canada that compete with articles of some of the Canadian companies engaged in this conspiracy are cut off or decreased. What is the fact in that regard? I think this is an important matter.

We are not saying that any one of these companies, if you are talking about the fishing industry, is part of an international cartel. I do not think so. I would think perhaps the aluminum industry is part of an international cartel system on aluminum and allied products. I should like to have these questions answered by the minister before we proceed to consider giving final passage to this bill. Although some of these matters may be considered to be rather minor—that is whether one word should be another word —nevertheless in the long range view, when we are drafting legislation—and this is what we are doing in effect; even though somebody else may have drafted it, still the house must consider it—I think we should give careful consideration in order to ensure that the words contained in that legislation mean as closely as possible, if not precisely, what we want them to mean. While they may be small matters, nevertheless I think they have some importance and should be cleared up.

Mr. Fulton: I think my hon. friend makes the mistake still of attempting to equate a provision dealing with industry in the export trade exactly or precisely with a provision dealing with industry entirely in the domestic market. It is because he makes that mistake, if he does not mind my making the suggestion, that he falls into the error of saying that the words used in this provision should be precisely similar to the words used in the other provision, namely subsections 2 and 3 where they appear earlier in the section.

The problem of export trade is of an entirely different nature from that of companies engaged in domestic business and the same words are therefore not necessarily applicable. To try to use the same words and to make them applicable would be to require us to torture and twist them so that they would fit into situations where they would not fit. For instance, my hon. friend complains because here we use the words "volume of export" instead of "quantity and quality of exports". The reason is obvious. We are concerned here only with the quantity. It would surely be ridiculous to make it an offence for exporters to change the quality of their exports when the requirements of the export market might dictate that they should change the quality of their exports. It is for that precise reason that we have confined it to the word "volume".

With regard to the omission of the word "expanding" in subsection 3 where my hon. friend complains because we have said only "restrict any person from entering into the business" instead of "entering into or expanding the business", may I point out that the problem of expansion has been covered where we think it should be covered, namely in subsection (a) above, where we have provided in general that the benefit of the section is not available if the arrangement has resulted or is likely to result in a reduction or limitation in the volume of exports of an article. It is also covered in part in subsection (b). I think in fact that subsection (b) also clearly covers the complaint that was raised in the circumstances alluded to.

Those are some specific answers to the question asked, but in general the answer is that the situation of the export trade is different from the situation of industry engaged entirely in domestic operations. Therefore the words that are applicable to the one are by no means applicable or suitable in a provision dealing with the other.

Mr. McIlraith: Hon. members on the government side have spoken in rather

laudatory terms about the amendment before the committee put forward by the hon. member for Burnaby-Richmond. I must say that I think the amendment is a sastifactory one. It meets very well the point raised in committee by the hon. member for Bonavista-Twillingate. There is every reason to be pleased that this amendment is being included in the bill at this stage.

There are two points to which I wish to address myself particularly tonight. One has to do with the importance of the export trade to this country. In his remarks early this afternoon the minister, in putting forward this amendment or giving notice of it, made a reasoned statement on the subject and rightly emphasized the importance of that subject to Canada. It is particularly timely that we should deal with this subject tonight in view of the *Daily Bulletin* of the dominion bureau of statistics which has just been delivered and which is dated Monday, July 25, 1960. It is volume 29, No. 142. That *Daily Bulletin*, under the subheading "Exports in June..." goes on to say as follows:

> Canada's commodity exports to all countries in June were valued at $457,400,000, a decrease of 11.4 per cent from the monthly all-time peak value of $516,300,000 in June last year—

Then a little bit further down it goes on to say this:

> Exports to the United States in June fell to $257,100,000 from $318,800,000 in the corresponding month last year—

That sharp drop in our exports in this past month as compared with those in the corresponding month in the previous year shows the timeliness of any action that can be taken at this time to assist the export industry.

Mr. Pallett: Will the hon. member also read the rest of the report which compares this year's to-date export trade with last year's to-date export trade.

Mr. McIlraith: Yes. I can read the rest of it. It goes on to point out the effect of the cumulative total for the six months and it points out that the figures are up. If the hon. member wishes me to read it, I can do so.

Mr. Pallett: I think it says that there is an 8 per cent increase over last year.

Mr. McIlraith: Yes. I can give the hon. member the precise figure, if he wishes to have it.

Mr. Pallett: It is 8 per cent, is it?

Mr. McIlraith: It is 8.4 per cent.

Mr. Pallett: An 8.4 per cent increase over last year?

Mr. McIlraith: That is right. This decline points up the difficulties there are in this field as well as those difficulties indicated by the minister this afternoon when dealing with the subject, namely the difficulties owing to external forces over which this country has no direct control. I refer, of course, to what appears to be a trade offensive by the U.S.S.R. and the possible trade activity on the part of China. There are other factors in this field which cause grave concern to this country and among them is the whole question of the regrouping of the European countries for trade purposes. The policy of the government with regard to this whole subject of trade has not been one to encourage the confidence of exporters from this country.

There is no doubt that great damage was done to the export industry by the precipitous action of the Prime Minister of Canada in announcing that he was going to divert trade from the United States and then his subsequent denial of this announcement, although it is on record in newspapers right across this country and had been impressed on the minds of television viewers who saw the Prime Minister on television and heard him make that announcement of policy.

Then there was the policy of the government in refusing to find out what the United Kingdom had in mind when they said they were prepared to discuss free trade with Canada at the time plans were being completed for the economic conference. The announcement was made at Mont Tremblay, and the Canadian government has remained strangely silent since with the result that it has not been ascertained just what the British authorities had in mind, whether they meant immediate free trade, free trade in the long term future or whether, in fact, they meant freer trade. In any event, it is to be regretted that the government has refused to find out what the United Kingdom had in mind on the subject and, in consequence, made it impossible for this country to decide whether the effect would be beneficial to us.

Then, of course, we had the unreasoned action of the Minister of Transport in cutting out Canadian shipping to the West Indies at a time when the West Indies were just developing their form of government into a federated body and when there was every indication that trade with that area would increase sharply. It has been obvious from speeches of the Minister of Transport in this chamber that he did not understand the implications of his action on that occasion. It is particularly interesting, for example, that he did not consider what might be the

effect on our balance of payments of his action in cutting off shipping in Canadian ships to that area of the world. Clearly, he misunderstood the effect on our export trade to that area.

Mr. MacInnis: Would the hon. member permit a question? Now that the hon. member has had a further word to say on this matter would he indicate whether he disagrees with the remarks of his leader about a filibuster?

Mr. McIlraith: I agree wholly that an extraordinary position was taken by the government tonight. When this amendment was put forward for consideration this afternoon the minister took the position after fully explaining his stand on it, and the import of the amendment, that it should be dealt with then. That was his position at that time. No hon. member opposite rose to speak at that time.

An hon. Member: Answer the question.

Mr. McIlraith: Then tonight we had the spectacle of hon. members opposite rising in sequence to read excerpts from the committee evidence and later in my remarks I propose to continue that exercise so that hon. members opposite may be thoroughly enlightened as to what that evidence contained.

Since hon. members opposite chose to read excerpts from the evidence without entering into debate on their part, with the possible exception of the hon. member for Burnaby-Richmond who did include. I think, one sentence, or part of one sentence in his remarks. I may say that the hon. member for Parry Sound-Muskoka in his contribution read from the brief which the witness giving evidence read to the committee; that was the way he did it. I think it is highly desirable that all those hon. members opposite should know just what the evidence is on this subject, and since they are so interested I think it is highly desirable that they should hear more of it. Particularly is it desirable that they should hear that part of the evidence which was given by the Minister of Justice when he explained his reasons for not proceeding with the suggested amendment on export at that time. I therefore propose to read, among other excerpts from the evidence, this passage which will be found at page 694 of the proceedings of the banking and commerce committee near the bottom of the page:

> Mr. Thomas: Mr. Chairman, there were two suggestions made by the British Columbia forest products group. They wanted to have the words "within Canada" placed after the word "unduly" in the bottom line on page 6. That would make it read: or is likely to lessen competition unduly within Canada. This group pointed out that due to the competition in foreign trade, it might be in the national interest for the various corporations producing plywood and other lumber products in Canada to form a combination for the purposes of competing in foreign trade.
>
> Mr. Fulton: Yes.
>
> Mr. Thomas: Therefore they thought the words "within Canada" should be placed after the word "unduly".
>
> Mr. Fulton: Yes, I think their proposal with regard to subclause (3) related also and was ancillary to the proposal for the insertion of another subclause in (2).
>
> Mr. McIlraith: That is right.
>
> Mr. Fulton: They submitted that this would have the effect of creating a defence if the agreement related to export trade. That was the effect of it. Their actual submission was that there should be inserted in subclause (2):
>
> "the allocation of markets and the creation of uniform prices and terms of sale in export trade to better facilitate the competitive position of articles exported from Canada against foreign competition."

The minister went on to say:

> This might be an appropriate place to deal with the questions of the submissions that were made that some amendments should be made to take account of the situation of companies engaged in export trade. We have given careful consideration to that both before and after we received these submissions. In this field of combinations—and I am referring now to section 32—we felt that if there was a real difficulty in holding out any umbrella, the difficulty would be that, in giving them any umbrella at all, you could not isolate the protection that that umbrella gave to the export field alone. I have not yet seen any way in which you can allow them to carry on activities which would otherwise be an illegal combination and say that the effects of that will be isolated in the export field, and that it will not spill over and have an effect on the domestic field. That is the first difficulty which I have seen with respect to putting in such a provision.
>
> The second reason why we have not felt it appropriate to put in such a provision is that we have a case now before the restrictive trade practices commission, to which reference was made in the submissions, in Vancouver. It is, so far as I know, the first such case in which an inquiry is now under way as a result of allegations having been made with respect to activities which were primarily directed to the export field. I only mention that here because it has already been mentioned and referred to specifically. I refer, of course, to the fisheries case. We do not normally confirm or deny that inquiries are proceeding. We have this case, which is now before the commission, and it would seem to me to be premature for me to be suggesting legislation which is going to have very far reaching effects. As I have said, I was just concerned as to whether I could isolate the export field from the domestic section. I would think it premature to introduce that legislation when such a case is before the commission. And the commission, in its consideration, will, I am sure—and I speak now without consultation with the commission, because I think this is one area where it would be improper for me to consult with them because they are an independent body—I am certain that the commission, in its reviews and reports, will address itself to this very question we are now discussing and that is, whether arrangements having the design of facilitating or improving the position of Canadian companies in export markets can be carried on without having a possibly disadvantageous effect on the consumer

in the domestic market. I think the commission will, as I appreciate the terms of the act and responsibilities imposed upon them, have to address its mind also to the public interest and to the question of whether the public interest is better served by allowing such arrangements at all, whether the general interest of Canada is better served by things that facilitate Canadian companies in export fields and, therefore, any detriment there may be in the domestic field may be outweighed by the general advantage of the economy of the country. It seems to me that is one of the things to which the commission must address its attention. In the light of the fact there is now an inquiry before the commission in which these issues are relevant, it would seem to me to be premature for me to be recommending legislation at this time on that subject.

The hon. member for Middlesex West intervened:

Mr. Thomas: There was another suggestion by the metal mining association—

Mr. Fulton: May I just conclude, Mr Thomas?

On that occasion the minister was not as tolerant of the supporters of the government as he is this evening. The minister went on to say:

I think it is premature because I think the situation will be greatly clarified, and the members of the House of Commons as well as the government, in considering what legislation if any, should be introduced and enacted, will be assisted greatly in that task by the report of the commission.

The hon. member for Burnaby-Richmond then interjected:

Mr. Drysdale: In the meantime, would every consideration be given to these people competing in the world export market, provided their competition is such as not to affect the domestic market—because there is no indication, at present, as to when the decision is likely to come down in this case referred to, and it could be a matter of years? I was wondering if consideration could be given, in the meantime, to those who are engaged in this export field.

The hon. member for Greenwood then stated:

Mr. Macdonnell: Consideration has been given to them for sixty years.

The following exchange then took place between the minister, the hon. member for Kenora-Rainy River and the hon. member for Burnaby-Richmond:

Mr. Benidickson: Mr. Chairman, has the minister had time, since the representations were made by the Canadian metal mining association and others, on this point, to give it much consideration or to take it to his colleagues; or will he be able, perhaps, to review it between now and the committee stage of the bill in the house?

Mr. Fulton: I have reviewed it, Mr. Benidickson, and the conclusions I have just outlined, in reply to Mr. Thomas' question, were the conclusions to which we came as a result of that consideration. We were not unaware of the problem when we were initially drafting the bill. In fact, we did have a provision in the bill we presented last year, with regard to the export trade in the field of mergers. But when it was decided it would be more appropriate not to make a substantial change in the merger field, that was dropped. We were considering the position of the export trade with relation to the whole act. I was not able to find any way, in the combination field, that I was satisfied could insulate the effects of arrangements made with respect to export from their effect domestically. We do not have any advice from anybody as to ways of measuring the public advantage of one as against the other.

Mr. Benidickson: I am sorry, but I was reading the act at the time when you made reference to the commission bringing down a report, and that this problem would be one of the points considered. What was the commission?

Mr. Fulton: The restrictive trade practices commission, which is now considering the fisheries case in Vancouver.

Mr. Drysdale: There is unlikely to be any further activity in the export field, provided there is no outward obvious violation of the Combines Act until this particular case is settled. I am not trying to pin the minister down to legal advice, but there is likely to be this period when there is nothing covering the export trade. I wonder if, without putting him on the spot, there is anything he could say to the committee which would indicate the position of exporters with regard to this competition?

Mr. Macdonnell: Do you not think that actions speak louder than words?

Mr. Fulton: I find it hard to answer that without being "put on the spot".

The words "put on the spot" appear in quotation marks.

Mr. Valade: Mr. Chairman, would the hon. member permit a question?

Mr. McIlraith: Yes, by all means.

Mr. Ricard: It suits the hon. member's purpose.

Mr. Valade: For the sake of clarity would the hon. member in reading his citations also read aloud the periods and commas so we would be able to follow his quotations clearly?

Mr. McIlraith: I could not hear the hon. gentleman.

Mr. Pickersgill: The hon. member wants you to include the punctuation.

Mr. Harkness: That is all the hon. gentleman is leaving out.

Mr. McIlraith: I am prepared to assume that hon. members who are reading the record will recognize the punctuation when they see it. If they are unable to do so I think it would be quite improper for me to indicate it to them verbally. I think to do so would insult the intelligence of hon. gentlemen and I would not wish to do that. I therefore must reject the hon. member's request.

I return to the evidence given by the minister on this point when he took quite a different position from that taken by him today with respect to the amendment. I return to the exchange between hon. gentlemen and the minister at the bottom of page 696:

Mr. Drysdale: I think that is fine, Mr. Minister.

Mr. Fulton: Mr. Benidickson, I have misinformed you in an answer I gave. I find we did not have any provision with regard to export trade in our earlier bill, as presented to this house. We had it in several of the drafts we had prepared.

Mr. Benidickson: I was going to ask you why it was not in this bill when it was in last year's.

Mr. McIlraith: If you have finished with that point of export, I want to ask some more questions about subsection (3),—

And so on.

These excerpts indicate that in committee the minister had taken a position which was somewhat different from the one taken by him today—

Mr. Pickersgill: Just like the north pole and the south pole.

Mr. McIlraith: Yes; the two positions taken are as far apart as the north pole and the south pole. But in any event, I want to be very forgiving to the minister and tell him that I appreciate the fact that he has moved to the correct pole this time and has taken the correct position now in committee of the whole in bringing forward, or having one of his supporters bring forward, the amendment which is now before us. But before doing that I would ask him whether he consulted the commission before bringing this amendment forward? He had grave doubts, as indicated by the evidence, as to the propriety of consulting him. Perhaps he should qualify that matter, because I am quite sure he would not have consulted an independent body, but I do not think any possibility of a reflection on his conduct should be left on the record, and I would ask him whether he consulted the commission since giving the evidence in committee more than a week ago and before bringing in the amendment? Perhaps the minister would answer the question.

Mr. Fulton: I was just looking for the reference to the further occasion on which the matter was discussed in the committee, when I again indicated, as I think the hon. member will agree, if he reads carefully, or considers carefully what he has just read that I indicated then, that I did not have a closed mind on this subject. He will remember that when the hon. member for Bonavista-Twillingate moved his amendment in committee I indicated that, in view of the fact that hon. members generally were uniformly concerned about this matter I felt, under those circumstances, that I should be prepared to give the matter further consideration and I undertook then to give it further consideration between the time the bill might be reported from the banking and commerce committee and the time it might come up here. This passage is found starting at page 750 of the banking and commerce committee minutes of proceedings and evidence. I pointed out at that time, and I am now reading from page 750:

And I am pleased to note that the effect of this amendment is to indicate that Mr. Pickersgill, in moving it, admits there can be something done to improve the position of Canadian industry without weakening the effects of the combines legislation. That is the first and most important thing that appears from this amendment. And I am delighted to have this indication of agreement by the official opposition with the stand of the government, that we can indeed make certain changes which will improve and benefit the position of industry, and thus of the economy generally, without weakening the terms and objectives of the combines legislation. That is one of the main objectives of the present amendments. I am delighted to have this endorsement of those objectives.

At this point, Mr. Chairman, I might perhaps interpolate that I am delighted to have the agreement of the official opposition today, as indicated by their readiness to accept this amendment, that once again they have confirmed that the combines legislation can be improved by making it clear that certain activities can be indulged in by industry without detriment to the economy and indeed to the benefit of the economy of Canada, and without weakening the combines legislation. The fact that our legislative scheme has been sound throughout is substantiated by the fact that hon. members opposite are prepared to accept this amendment to amend section 32, to which earlier they were apparently so much opposed.

Mr. McIlraith: No, not opposed.

Mr. Fulton: Then I went on to discuss the effect of the amendment as proposed at that time by the hon. member for Bonavista-Twillingate and to indicate that I was not prepared at that moment to accept the amendment because I felt it opened the door too wide. I am now reading from page 751. I said:

For the reasons I have given, I do not think this amendment, as presently drafted, meets the criteria which this committee, or any government concerned with the welfare of Canadian consumers, could adopt.

My suggestion is that the amendment be rejected, but that the principle be re-examined to see whether a proposal consistent with the interests of Canadian industry in the export field, and the overriding interest of consumers domestically, can be devised. And, if it can, the government would be happy to suggest such an amendment in the house.

Therefore, you will observe, Mr. Chairman, by reference to the latest discussion on this point in the banking and commerce committee, that it is established that the minister's position there was absolutely consistent with the position that he outlined to the committee this afternoon.

With reference to the question of the basis upon which I came to the conclusion that I reported to the committee this afternoon, I can only say that I consulted with the officials upon whom I rely to advise me and the officials with whom it is proper for me to consult and that we did together come to the conclusion that it would be appropriate to introduce this amendment at the present time for the reason I gave to this committee this afternoon.

Mr. Pickersgill: Mr. Chairman, I had not intended to take up any more of the time of the committee at all until the minister chose to put on the record here his own interpretation of the attitude I took in the committee. I feel that the record will not be complete unless I now put on the record the position that I took in the committee, and obviously there is not time to do that tonight; but I do think there is one thing that may not always be true, the old principle *post hoc ergo propter hoc*, but there is no doubt in this case that we would not have had this amendment from the government at all if I had not moved an amendment in the committee and forced the hand of the government.

Mr. Bell (Saint John-Albert): Don't be so modest.

Mr. Pickersgill: The minister knows perfectly well, as my hon. friend from Ottawa West has pointed out at length, that the government had turned down this matter, turned it down completely and finally and I came in and moved an amendment and they began to be worried and thought it was a bandwagon and now they are all trying to get on it. It is eleven o'clock, sir.

Mr. Bell (Saint John-Albert): Your mentor is in the gallery.

Progress reported.

Business of the House

BUSINESS OF THE HOUSE

Mr. Pickersgill: Perhaps the government leader would tell us what he thinks he can get his followers to do tomorrow.

Mr. Churchill: It would be helpful if I could find out what the opposition intends to do from day to day.

Mr. McIlraith: We tried to help you today.

Mr. Churchill: Tomorrow we will continue and complete this particular bill and then estimates will follow. They will follow in this order, only subject to change if some unforeseen accident occurs, for the balance of the session: northern affairs and national resources, secretary of state, defence production, legislation, labour, defence, finance, trade and commerce, privy council.

On Friday of this week the first item that will be called for discussion other than estimates will be the motion appearing in *Votes and Proceedings* of Monday in the name of the Prime Minister with reference to the amendment as to the tenure of office of judges.

Mr. Pickersgill: The amendment to the British North America Act.

Mr. Churchill: Yes. That will be brought forward on Friday.

Mr. Pickersgill: I wonder whether the minister would repeat the qualification he made about the order of departments?

Mr. Churchill: I said that would be the order unless some unforeseen circumstance arises such as some minister being unexpectedly called away or somebody on the opposition side requesting a change in the order of procedure.

It being three minutes after eleven o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, July 27, 1960

The house met at 11 a.m.

BRITISH NORTH AMERICA ACT

SUBSTITUTION OF ADDRESS RESPECTING TENURE OF OFFICE OF JUDGES

On the order: Government notices of motions:

July 25—The Prime Minister—The following proposed motion:—That the resolution adopted by this house on the 14th day of June, 1960 and reading as follows:

"Resolved, that a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's most excellent majesty:

Most gracious sovereign:

We, Your Majesty's most dutiful and loyal subjects, the commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act, 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen'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. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

"99. (1) Subject to subsection two of this section, the judges of the superior, district and county courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

(2) A judge of a superior, district or county court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

2. This act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this act may be cited together as the British North America Acts, 1867 to 1960.

3. This act shall come into force on the first day of March, nineteen hundred and sixty-one.

be rescinded, and that the following resolution be substituted therefor:

Resolved, that a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's most excellent majesty:

Most gracious sovereign:

We, Your Majesty's most dutiful and loyal subjects, the commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act, 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen'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. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

"99. (1) Subject to subsection two of this section, the judges of the superior court shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

(2) A judge of a superior court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

2. This act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this act may be cited together as the British North America Acts, 1867 to 1960.

3. This act shall come into force on the first day of March, nineteen hundred and sixty-one.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

STARRED QUESTIONS

UNEMPLOYMENT INSURANCE FUND

Question No. 205—**Mr. Robichaud:**

What was the amount to the credit of the unemployment insurance fund as of June 30, 1957, 1958, 1959 and 1960?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the answer to this question is as follows:

June 30, 1957	$852,729,261.78
June 30, 1958	$644,520,634.54
June 30, 1959	$434,152,690.64
June 30, 1960	$296,187,477.10

C.N.R. CAR ICING, MONCTON AND JOFFRE

Question No. 206—**Mr. Fisher:**

1. Has the Canadian National Railways considered contracting out the icing of cars at Moncton and Joffre in the past year?

Starred Questions

2. If so, what are the factors in favour of such a move?

3. What effect would such a move have in each of these places in terms of Canadian National Railways employee reduction?

Hon. George H. Hees (Minister of Transport): The answer is as follows:

1. With regard to Moncton this matter is now under study in connection with the operation of the new hump yard. As to Joffre, a contract was entered into with a Mr. J. A. Labrie, effective May, 1960.

2. Moncton—Not applicable.

Joffre—It is more economical to the railway.

3. No employees are hired for the sole purpose of icing refrigerator cars, and at Joffre only one regular employee, a labourer, has been displaced under this arrangement.

TORMENTINE-BORDEN, P.E.I., FERRY

Question No. 207—**Mr. Herridge:**

1. Is consideration being given to the construction of a new car ferry between Tormentine and Borden, Prince Edward Island?

2. If so, how will it compare to the *Abegweit* as to the following characteristics: (a) displacement; (b) speed; (c) capacity; (i) passengers; (ii) vehicles; (d) icebreaking capability; (e) suitability for winter passages?

Hon. George H. Hees (Minister of Transport): The answer to part 1 is that tenders were called during 1959, and a contract for construction was entered into on May 24, 1960, with Halifax Shipyards, Halifax, Nova Scotia.

As to part 2, a comparison with the M. V. *Abegweit* is as follows:

	Abegweit	New Vessel
(a) Displacement	7,600 tons	2,663 tons
(b) Speed	16.5 knots	13 knots
(c) Capacity (i) passengers	950	300
(ii) vehicles	19 railway freight cars and 58 automobiles, or 125 automobiles	68 automobiles
(d) Icebreaking capabilities	Both vessels are designed to Lloyd's register highest class for icebreaking ferries.	
(e) Suitability for winter passages	The *Abegweit* is, and the new vessel will be, capable of maintaining all season service between Tormentine, New Brunswick and Borden, Prince Edward Island.	

GRAIN

EQUALIZATION OF QUOTAS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I ask leave to move, seconded by the hon. member for Kootenay West, the adjournment of the house under standing order 26 to discuss a question of urgent public importance, namely the large number of marketing points in western Canada still on a 6-bushel quota and the need for urgent action at this time to assure that quotas will be equalized, thus enabling each producer to deliver his fair share of grain.

I believe that this question is of very great urgency, Mr. Speaker, because the end of the crop year is approaching. This is July 27 and the crop year ends on July 31, just four days from now. There have been commitments from the government on previous occasions that every possible step would be taken to make certain that delivery quotas were equalized by the end of this crop year. The importance of this, I should like to point out, is that by equalized quotas the farmers are given the same opportunity to deliver grain and therefore an equal opportunity with their neighbours to the same kind of income return.

Mr. Speaker: Will the hon. member permit me to ask a question which might help me in determining the urgency of debate? Is this a matter within the administrative jurisdiction of the Canadian wheat board?

Mr. Argue: I would say quickly yes to that, Mr. Speaker.

Mr. Speaker: Then the urgency the hon. member suggests is that—the end of the crop year is when?

Mr. Argue: At the end of this month, four days away.

Mr. Speaker: And the importance of it is that—?

Mr. Argue: Once we pass the end of the crop year all the quotas return to zero and the farmer has no opportunity whatever to

deliver grain. It is illegal to deliver grain on the present quotas on August 1, which is a very few days away. If equality in the delivery of grain, therefore, is to be brought about, immediate action is necessary so that this can be accomplished within the next few days.

Mr. Speaker: I take it that the jurisdiction to set quotas after the end of the crop year is just as it was before; there is no change?

Mr. Argue: Yes.

Mr. Speaker: I feel I have heard sufficient to enable me to deal with the matter. The question is, of course, one of urgency of debate that we have to consider under rule 26. The hon. member raises a matter which is of undoubted importance, and of particular importance to the producers of grain who are making deliveries. But the problem I have to consider is whether or not there is a lack of opportunity in this house to discuss this matter which is so urgent as to warrant our interrupting a very full program at a time of the session which I think puts a rather severe onus on anyone who attempts to move the adjournment under standing order 26.

In my view there has been opportunity throughout the session to discuss the administration of the deliveries of grain, and if I am not mistaken the Canadian wheat board is under the administrative responsibility of the Minister of Trade and Commerce, whose estimates are to be called within the next day or two, so I would not think it appropriate to give leave to move the adjournment.

Mr. Argue: If I might make a very brief comment on that—

Some hon. Members: Order.

Mr. Argue: The quotas will be off; the opportunity will be gone. It will be too late.

Mr. Speaker: I appreciate what the hon. member says, but there will be an opportunity to discuss it when the estimates are being considered.

Mr. Argue: On a point of order, Mr. Speaker, I claim the right to deal with the central question at this time for the benefit of the house, as to whether or not this is sufficiently urgent that it is necessary to initiate a debate at this time. A question has been raised very properly by Your Honour as to whether or not there will be an opportunity, in your own words, within the next couple of days to debate this matter.

Now Mr. Speaker, if the Minister of Trade and Commerce would bring on his estimates then that could be done; there would be no urgency if the trade and commerce estimates were brought on immediately. If they were initiated, as the minister announced last night, at the tail end of the session, then these quotas will be down to zero and there will be a great injustice done to the western producers; that is why it is urgent.

Mr. Speaker: I took those matters into consideration in the course of making my ruling.

MOTION FOR PAPERS

UNEMPLOYMENT INSURANCE COMMISSION ADVISORY COMMITTEE REPORT

Motion No. 132—**Mr. Martin (Essex East):**

For a copy of the latest report of the unemployment insurance commission advisory committee.

Motion agreed to.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR REPORT OF COMMITTEE ON REVISED SYSTEM OF MEASUREMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Labour. In view of the fact that the minister's estimates will be under consideration either later this day or tomorrow, can the minister assure the house that the report of the interdepartmental committee trying to work out new procedures for the measurement of unemployment will be made available to the committee before the estimates are considered?

Hon. Michael Starr (Minister of Labour): In view of the numerous questions asked regarding this report I have made a number of inquiries, and I cannot at the moment give any assurance that that will be done.

UNITED NATIONS

DISARMAMENT—REPORTED U.S. SUGGESTION RESPECTING COMMISSION MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs whether he can advise the house what the situation is with regard to the suggestion of the United States that the United Nations disarmament commission should meet prior to the convocation of the general assembly?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, that request, I believe, has been handed to the chairman of the United Nations disarmament commission, but as yet no statement has been made as to if and when that commission will be meeting.

Inquiries of the Ministry

Mr. Martin (Essex East): Has Canada joined with the United States in asking the chairman of the commission, Mr. Padillo Nervo, to call the commission together?

Mr. Green: Yes. We also wrote to the chairman urging that the commission be called together.

(Translation):

AIR TRANSPORT

REPORTED JET PLANE LANDING AT WRONG AIRPORT

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to put a question to the Minister of Transport (Mr. Hees).

Has the minister any comments to make about the jet aircraft with 80 passengers aboard that went to the wrong airport and landed at Cartierville last night, instead of Dorval?

(Text):

Hon. George H. Hees (Minister of Transport): I am afraid I have no further information than that contained in the news report to which the hon. member has referred. This plane landed by mistake at Cartierville airport. Fortunately it landed safely. No damage was done and no one was injured. The passengers were transferred by bus to Dorval airport and the plane later continued its journey to Toronto. I am afraid that is all I have to report.

Mr. Valade: I have a supplementary question.

(Translation):

Could the minister ask his department to take steps to prevent similar mistakes in the future?

(Text):

Mr. Hees: Mr. Speaker, we do everything we can to make it as easy as possible for planes to land at Dorval and not at other airports. I am sure the captain of the air liner was not too happy about having mistaken the landing field. I am sure that people will speak to him about it. I do not think there will be too many recurrences of this error.

AGRICULTURE

RAPESEED—REPRESENTATIONS OF WHEAT POOLS RESPECTING CLASSIFICATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport. Can the minister say what action the government has taken as a result of the representations sent to the government from the three western wheat pools requesting the federal government to set aside the decision of the board of transport commissioners that rapeseed should not be considered a grain under the Crowsnest pass agreement?

Hon. George H. Hees (Minister of Transport): It is my understanding that this matter is at the present time before the Supreme Court of Canada. Therefore, of course, it cannot be discussed at this time.

EXTERNAL AFFAIRS

CONGO—INQUIRY AS TO INVITATION TO PRIME MINISTER TO VISIT CANADA

On the orders of the day:

Mr. R. J. McCleave (Halifax): I wish to direct a question to the Secretary of State for External Affairs. Since the opening of the house yesterday has he or the government received a request from the prime minister of the Congo, Mr. Lumumba, to come to Canada?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, our permanent representative at the United Nations had a long visit with the prime minister of the Congo last evening. Today the prime minister is in Washington and I believe he will be talking with our representative at the Canadian embassy there. I think he will be coming here on Friday and Saturday, but the arrangements have not yet been made definite.

IMMIGRATION

IRENE REBRIN—INQUIRY AS TO POSITION FOLLOWING COURT DECISION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to direct a question to the Minister of Citizenship and Immigration. In view of the decision by the court of appeal of British Columbia yesterday, will the minister give the house an assurance that Miss Rebrin will not be spirited out of this country—

An hon. Member: Cheap.

Mr. Pickersgill: —as long as she is engaged in any actions in the courts?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I cannot stand by and let the hon. member make any such statement. She has not been spirited out of the country. There have been about three different appeals, and I see no reason why she should be so dealt with now.

Mr. Pickersgill: I would like to ask the hon. lady if she does not recall that the words I used were precisely the words used by the Minister of Justice in another case, and that the Prime Minister in that case—

Some hon. Members: Question.

Mr. Pickersgill: —did give an assurance—

Mr. Speaker: Order. The hon. member's question appears to me to be more the supplying of information or an argument than a search for further information.

Mr. Pickersgill: Then I would like to put a supplementary question. Would the hon. lady give an assurance that this lady will not be deported as long as her action against the Toronto *Telegram* is pending?

Mrs. Fairclough: I thought I made that perfectly clear, Mr. Speaker.

GRAIN

REQUEST FOR STATEMENT ON DELIVERY AND QUOTA POSITION

On the orders of the day:

Mr. R. L. Hanbidge (Kindersley): Mr. Speaker, since the crop year for the delivery of grain in western Canada expires on July 31, I would like to ask the Minister of Trade and Commerce whether he is in a position to make a statement with regard to quotas on grain.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, the quota situation in the western prairies is better this year, I think, than in any year since the quota arrangement was put into operation. There are 2,007 stations on the quota distribution system. As of July 25, 1,879 or in other words roughly 94 per cent were on the 7-bushel quota, leaving roughly 6 per cent, or 128 stations, on the 6-bushel quota. This is a development which under the supervision of the wheat board has been pursued this year in an endeavour to equalize the quota distribution system as much as possible.

I have not had a communication today but I will be hearing from the wheat board, and I would expect that the number of stations on the 6-bushel quota has again been reduced, so that substantially all stations out west are on an equal basis. This is a major achievement, and every possible effort is being made during the closing days of the crop year to bring all stations up to the 7-bushel quota and to provide box cars in order that the grain may be moved rapidly. I doubt if a better showing has been made in any of the years since the wheat board has been operating.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I think in view of the motion I presented this statement might have been made on that motion—

Some hon. Members: Question.

Mr. Argue: —so that those of us—

Some hon. Members: Question.

Mr. Speaker: It would have been improper for the minister to make such a statement on the motion, but if the hon. member has a supplementary question he may ask it.

Mr. Argue: My question is this. Is the minister prepared to recommend to the Canadian wheat board that the delivery quotas be continued into the new crop year until such time as all marketing points in western Canada are on a 7-bushel quota and, of equal importance, until every delivery point has sufficient box cars to take out the grain? I ask the minister whether it is not a fact that hundreds—

Some hon. Members: Order.

Mr. Argue: A further supplementary question, Mr. Speaker.

Mr. Speaker: Perhaps the hon. member will allow the first one to be answered.

Mr. Churchill: The hon. member for Assiniboia is obviously embarrassed when the—

Mr. Argue: Order.

Mr. Speaker: I trust the minister will not pursue that vein.

Mr. Churchill: I would have been out of order, Mr. Speaker, in referring to the futility of the hon. member's original motion, but I will not dwell on that.

Mr. Argue: Just answer my question and you will be more in order.

Mr. Churchill: This question comes up every year. The wheat board with its long experience has reached the conclusion that it is unwise to extend the quota distribution system too far into the new crop year. Every year this question has come up I have examined it with the wheat board and asked them for their experience in years gone by. They have taken the stand that when they can reach the 7-bushel quota as they are doing this year it is adequate for marketing purposes. In certain areas, depending on the arrival of box cars, a few days' grace are permitted, but then the year closes and the new quota goes into effect for subsequent deliveries of grain from the new crop. The wheat board knows this problem, has dealt with it successfully year after year, and will continue to do so.

Mr. Argue: My supplementary question is this—

Inquiries of the Ministry

Mr. Speaker: Order. The hon. member for Rosetown-Biggar was seeking to ask a supplementary question. Perhaps the hon. member would defer his until later.

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, as a supplementary question may I ask if it would be possible to have the wheat board open all points to 7 bushels before the end of the crop year?

Mr. Churchill: I think that is possible, Mr. Speaker. As of two days ago only 128 points were on 6 bushels. It looks as if all stations will be on the 7-bushel quota by the end of the week.

Mr. Argue: I should like to ask the minister how many hundreds of marketing points there will be where delivery space will not be available on the 7-bushel quota. How many days of grace will the farmers have in the new crop year in order to deliver on the old quota?

Mr. Churchill: Obviously I cannot answer the first question; it calls for statistical information. The question should be put on the order paper in the proper way, as every experienced hon. member knows.

The number of days of grace is left to the discretion of the wheat board and to the common sense of the elevator agents. It depends on the arrival of box cars. If seven box cars arrive at a station, let us say, this coming Sunday night, any Canadian with common sense would see that those box cars are made use of even if it takes until Monday or Tuesday to make delivery.

Mr. Argue: Is there under consideration—

Some hon. Members: Order.

Mr. Argue: —a 14-day period of grace as we have had on other occasions?

Mr. Churchill: The wheat board will conduct itself in the same way this year as it has done in other years, to the satisfaction of the farmers of western Canada.

Mr. Argue: That is exactly what we are afraid of.

Mr. Churchill: You do not like the wheat board?

Mr. Argue: We do not like what is being done right now.

Mr. Ricard: Do you like yourself?

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, as a supplementary question may I ask the minister whether he has knowledge of any extensive complaints from western Canada with respect to both quotas and box cars? My own experience is that I have none.

[Mr. Argue.]

Mr. Churchill: There have been no extensive complaints. My own experience over the last three years has been that at the conclusion of each crop year messages are received with regard to box cars. I have had only a few of those this year. Immediately the wheat board has been contacted. They in turn get in touch with the railway companies, who have responded very quickly to these requests.

Mr. Speaker: Has the hon. member for Swift Current-Maple Creek still some point that is not clear even after this rather extensive inquiry?

Mr. Jack McIntosh (Swift Current-Maple Creek): Yes, Mr. Speaker. I should like to ask the minister if the 128 points still on 6-bushel quota are points that in past years have also been on low quota.

Mr. Argue: They are.

Mr. Churchill: I doubt that very much, Mr. Speaker, but I will obtain the information for the hon. gentleman. These questions may be asked tomorrow, Friday, Saturday and Monday before the end of the crop year, and the information will be available.

TRANSPORT

YARMOUTH-BAR HARBOR FERRY—PROPOSED STRIKE OF CREW AND PERSONNEL

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, yesterday the hon. member for Gloucester inquired regarding the dispute respecting the unlicensed personnel of the M.V. *Bluenose*. I might also say that the hard-working and very able hon. member for Shelburne-Yarmouth-Clare has shown great interest in this matter and spoke about it to both the Minister of Labour and myself as long ago as Friday. He has shown a keen interest in this whole matter.

As the house knows, the management and operation of the *Bluenose* is entrusted to the C.N.R. I have been in touch with the management, and am advised that the union representing unlicensed personnel on the ship has given notice that such employees will withdraw from service on August 5. Although the union has not requested a meeting since issuance of the report of the board of conciliation on June 23, the management state that they stand ready to meet the union at any time.

PUBLIC SERVICE

MONTREAL—COMPLAINT OF MEAT INSPECTORS WITH RESPECT TO OVERTIME PAY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask the Minister of Agriculture whether

he has had an opportunity of considering the question which I asked him yesterday.

Hon. D. S. Harkness (Minister of Agriculture): Yes, Mr. Speaker. Yesterday the hon. member for Laurier stated that meat inspectors in the city of Montreal had not received pay for their overtime work for the last three months. He asked if I would inquire into the situation and advise him why this condition exists. The hon. member also stated that it was his understanding that the overtime was paid by the packing houses in which the meat inspectors worked.

In fact the overtime is not actually paid by the packing plants. If a plant engages in overtime operations a charge is made against the plant to cover the approximate cost of the overtime worked by the meat inspectors, but the payments from the plants are deposited to consolidated revenue. The actual overtime payments to the inspectors are made from the regular departmental vote in accordance with civil service regulations.

Those regulations provide for overtime worked by a civil servant to be liquidated as compensatory leave at any time up to the end of the following month if staffing permits, or failing that, for the payment of overtime. For this reason payment for overtime worked in any one month cannot be made until after the end of the following month.

Cheques covering overtime payments to health of animals staff in the Montreal area for April have been sent out, and it is anticipated that payment for overtime worked during May will be made within a week.

Mr. Chevrier: I thank the minister for his reply.

SHIPPING

MONTREAL HARBOUR—SINKING OF S.S. "COASTAL CASCADES"

On the orders of the day:

Mr. C. E. Campeau (St. James): Mr. Speaker, I should like to direct a question to the Minister of Transport and ask whether he has any comment to make as to the cause of the sinking of the S.S. *Coastal Cascades* of Transit Tankers and Terminals Limited in berth 110 in Montreal harbour, and as to the measures which are to be taken in this connection.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. The port manager at Montreal harbour has advised me that in the early morning of July 25, the S.S. *Coastal Cascades*, owned by Transit Tankers and Terminals Limited, sank in berth 110, Montreal harbour and the vessel is resting on the bottom on its stern. The reason for the sinking is unknown. There is no danger to navigation. The S.S. *Coastal Cascades* is 230 feet long with a net registered tonnage of 651 and gross tonnage of 1,239. Investigations are being conducted as to the reason for sinking.

COMMONWEALTH CONFERENCE

AUSTRALIA—CANADIAN REPRESENTATION AT MEETING ON NAVAL CO-OPERATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of National Defence whether Canada was represented at the three-day commonwealth conference recently held in Australia to discuss naval co-operation and, if not, why not?

Hon. G. R. Pearkes (Minister of National Defence): I shall take that question as notice, Mr. Speaker.

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR BREAKDOWN OF FIGURE QUOTED BY MINISTER OF FINANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the parliamentary secretary to the Minister of Finance whether he could give the house a breakdown of the $2 billion which the Minister of Finance said the provinces were asking out of the federal treasury.

Mr. Speaker: Order. I think the hon. member is perhaps a little optimistic in expecting to be able to get an answer to that question on orders of the day.

Mr. Pickersgill: I suggest it is a very urgent question.

BUSINESS OF THE HOUSE

INQUIRY AS TO PROVISION OF FURTHER INTERIM SUPPLY

On the orders of the day:

Mr. Frank Howard (Skeena): May I direct a question to the parliamentary secretary to the Minister of Finance. Before the Minister of Finance gets negotiated out of all the money he has in the treasury, and in view of the fact that the interim supply bill passed a few months ago will no longer have validity after the end of this month, is it the intention of the government to have another interim supply bill introduced to carry on the public business after the end of July.

Mr. R. A. Bell (Parliamentary Secretary to the Minister of Finance): I think the hope of the house is that its business may be concluded in time so that a further interim supply bill will not be necessary.

Mr. Pearson: It won't be.

NATIONAL PARKS

BRITISH COLUMBIA—REPORTED OFFER OF GARIBALDI PARK FOR OLYMPIC GAMES

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): Can the Minister of Northern Affairs and National Resources say whether the premier of British Columbia has yet made any offer to him of Garibaldi park as a national park?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): No, Mr. Speaker; I have received no offer from British Columbia.

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed, from Tuesday, July 26, consideration in committee of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code—Mr. Fulton—Mr. Flynn in the chair.

On clause 13, section 33—*Mergers and monopolies.*

The Chairman: Shall the amendment to clause 13, section 33, carry?

Mr. Pickersgill: Mr. Chairman, I was in the middle, or perhaps not in the middle; I should say I was at the beginning of a statement about this matter which has been occasioned by the observations which were made by the Minister of Justice just before I began.

In order to put what I now have to say in perspective I should like to recall just what it was I did say in my introduction last night. What I said was that, as the hon. member for Ottawa West had shown in his masterly reading of the proceedings of the banking and commerce committee, the government had made a firm and unqualified decision, and announced it to the committee, not to do anything about this problem. The government had decided that because the restrictive trade practices commission was carrying on an investigation into an export problem in British Columbia, no attempt should be made to meet the requests of the fisheries council, of the forest industries and of the metal mining industry which were presented so ably, and I think so convincingly, to the committee, and whose views were put on the record at such length by three hon. members on the other side of the house last evening in speeches the urgency of which was apparent to all who listened to them.

That was the situation right up until the last meeting of the banking and commerce committee. At that point, sir, as I explained earlier yesterday, thanks to the courtesy of the committee and because of my absence on that Monday morning, the committee resumed its sittings in the afternoon and I introduced an amendment to clause 15 of the bill. I should like very briefly to draw to the committee's attention now the reason I gave then for doing so. This will be found at page 747 of the proceedings and evidence of the banking and commerce committee for July 18. Quite a way down the page the chairman is reported as follows:

> Perhaps we could go on with Mr. Pickersgill first—

Then I am reported as having said:

> I have an amendment I would like to move, seconded by Mr. Tardif. But before doing so, I would like to say that some of my friends and I on this committee were very much impressed by the representations that were made to the committee by a number of witnesses, expressing the hope that if the act was to be amended, as was the government's intention, some express provision could be put in the act to make it abundantly clear what everyone, I think, recognizes has always been in fact the situation, namely, that the purpose of the legislation was to prevent combinations within Canada respecting trade within Canada and was not intended, in any way, to cripple our export trade; and that if certain types of combination or arrangements were necessary for the promotion of our export trade they should not be hampered by this legislation.
>
> Now I recognize—as I am sure every member of the committee does—how frightfully difficult it is to draft provisions which will make that position abundantly plain to the courts, without, in any way, having any ancillary effects or any serious ancillary effects which would enable it—as we thought might be the case with some of these new provisions that it is suggested should be inserted into one of the other sections, section 32—to be used as a cloak for combinations that are clearly intended to be against the law.
>
> However, we do think that an amendment might be made to clause 15; and I must say that in proposing this, I am not absolutely wedded to this particular wording. It is the best, with such resources that were available to my friends and myself, we were able to come up with at the moment; but we would certainly appreciate any suggestions from any member of the committee that might make it more acceptable to the government.
>
> In the present circumstances, when it is perfectly evident to everyone that we are not going to have the kind of sellers' market for our exports we have enjoyed most of the time since the second world war, we do think it is of the utmost importance, in the national interest, that we should do everything possible and everything reasonable both to promote our exports and to make sure,

by the laws of our country, that we are not providing any obstacles, even if only psychological obstacles, that can easily be removed.

When I made that statement I was authorized to speak, and was speaking, on behalf of my friends here in the house. That was the position, after very careful consideration of this very ticklish and difficult problem, that the Liberal party had decided to take on the matter. We had decided to take the view that even though there might be some slight risk —and we recognize there might be some risk —that such combinations for the purpose of promoting Canadian exports might become a cloak or might have effects in the domestic market which would by themselves be undesirable, for the greater good of the country and indeed the greater good of a majority of consumers, in view of the tremendous extent to which the income of the Canadian people, particularly of the people in certain provinces, is dependent upon our income from exports, that balancing the two, one against the other, it was in the national interest to move such an amendment.

Now, sir, I am glad to say that the arguments we put forward there and, perhaps more than the arguments, the knowledge that the Liberal opposition had taken this up officially as its policy, caused the government to change its mind. Let no one be under any illusion about this matter. The amendment we are now considering, for which we intend to vote and which I admitted quite frankly yesterday is better drafted than mine was, would not have been offered at all if it had not been for the stand I was asked to take in the banking and commerce committee on behalf of the Leader of the Opposition and our party on the last day the committee sat on this bill.

In view of some of the things that were said yesterday, and in view of the obvious efforts of certain members opposite to get on this band wagon and try to make it appear that in some way this was their doing, I think the record ought to be set straight.

Mr. Fulton: The hon. member has made what he alleges to be a statement of fact, and I wish to say at once and immediately following what he has said that his statement of fact is not correct. It is not the case that this amendment would not have been offered had it not been for the motion made in the committee by the Liberal opposition. It is true that I had indicated in the banking and commerce committee throughout that I was concerned as to the appropriateness of offering an amendment while a case was still under discussion before the commission and up to the time I had last previously spoken in the banking and commerce committee I had not been able to see my way around the difficulties.

But I had indicated clearly that we were considering the matter. I was considering the matter. I had discussions with a number of our own members, and I told them that the government and the minister were prepared at any time they could come to the conclusion that an amendment could be drafted to submit one to the house. I repeated that on the day the hon. member for Bonavista-Twillingate has referred to, Monday, July 18. It was not by any means simply because he had presented an amendment that we came to the conclusion that an amendment could be drafted and that we were justified in drafting and submitting an amendment at this time.

My hon. friend probably will not accept my assurance on this point. No more do I accept his statement or interpretation of why this amendment is now before the house. But hon. members on this side, with whom I had discussions both before and after he offered his amendment, will know perfectly well the truth of what I say, and they will know that it is a gross exaggeration, and immodest exaggeration for the hon. member for Bonavista-Twillingate to say it is simply because he moved this amendment that the house now has one before it from the government.

Mr. Pearson: Mr. Chairman, may I ask the minister, who now so passionately claims the parentage of the idea of this amendment, why, having regard to the months, indeed, the year or so when they were drafting their amendments, this idea did not appear in the bill when it was submitted to the house after all the consideration that was given to the matter by them?

Mr. Fulton: This and all sorts of other ideas occurred to us.

Mr. Pearson: You did not put it in the bill.

Mr. Howard: Mr. Chairman, from the activities of both the Liberals and the Conservatives I know they are very excellent band wagon climbers, and therefore it is doubtful whether the accusation of the hon. member for Bonavista-Twillingate should be treated too seriously. However, I think he did place some of the facts before the banking and commerce committee in a little different light. Trade is an extremely important matter because we depend so much upon it; but because we have been in so much difficulty since approximately the middle of 1957 in our trading relationships with other countries I hope the Conservative government and its supporters will not think that the change now being made in this legislation is a cure-all for our trade problems. I trust they will not

be content to rest upon the false base that this amendment will assist to any measurable extent in increasing our trade with other nations. It only needs a cursory glance at the provision to see that it cannot be considered a cure-all for our trading problems, and that more aggressive measures must be taken by government departments, notably the Department of Trade and Commerce, to increase our exports to other countries.

Our objections to this amendment have been placed on the record clearly and I do not think there is any point in going over them again. I am only making these remarks because the feeling might develop that we have done something which will cure our trading problems or as a result of which they will solve themselves. We need a much more aggressive attitude toward trade. There are other problems and difficulties which have not been thought of or have been glossed over. We are encountering difficulties because of the activities of other nations, and those interested in export trade have used these difficulties as a basis for arguing that they should be exempted from the application of the Combines Investigation Act so far as their export activities are concerned.

A reading of the briefs presented by organizations which appeared before the banking and commerce committee and advocated that their export activities should be exempted from the provisions of the act indicates that they used arguments which were not valid. Perhaps they are most succinctly put by Mr. Nicholson, president of the council of forest industries of British Columbia, who appeared before the committee on June 22 along with representatives from the fisheries council of Canada and the Canadian metal mining association, to which reference has been made.

As found on pages 292 and 293 of the proceedings of the committee Mr. Nicholson put forward what I think were false arguments to promote an exemption under the combines legislation. I should like to refer to them in order to indicate that we need to tackle our trade problems in other ways than by means of the Combines Investigation Act. Mr. Nicholson referred to the letter read by Mr. Hyland of the fisheries council which was written by the Japanese cartel on fish, and near the bottom of page 292 he said:

> I was shocked at the letter as I am sure you were—the letter that Mr. Hyland read here today which was written by the Japanese fishing cartel and written approximately eleven months ago. I am sure the words burn themselves in your mind just as in mine—"We have not yet fixed our final price for the sale of our salmon in the world market; we give you a tentative price and as soon as the Canadians and Americans have fixed their price we will give you ours." How in the world are you going to fight in world markets where 50 per cent of the products of the forests of British Columbia are being exported and one third of the income coming into this country from the sale of our exportable commodities coming in from the sale of Canada's forest products, if we cannot meet the competition coming in from foreign countries?

Then my colleague the hon. member for Port Arthur asked a question:

> Mr. Fisher: Could the witness give us the parallels in the timber industry to the Japanese salmon industry? I do not think that is contained in the brief.
>
> Mr. Nicholson: I cannot give it to you for Japan, but I can give it to you for Russia. Prior to the war, and in fact up until 1954, Canada was Britain's leading supplier of softwood products—lumber, shingles and material of that kind. That is, as late as 1954 it was the leading supplier. By 1957, Canada's share of the United Kingdom imports had dropped to 14.7 per cent and Canada's position was that of fourth place supplier of products to the building industry in Britain. We had been replaced successfully by Sweden, Finland and Russia. During this period when Canadian sales were dropping off the Soviet of Russia had increased her sales from one tenth to one fifth of the total of United Kingdom's softwood importation. In the case of the Swedish and Finnish importers they were trading at a profit.

Notice the distinction there, and it is developed later on, that the Swedish and Finnish exporters were operating at a profit. The implication is that the Russian exporters were not operating at a profit, and this is developed later on. I continue the quotation:

> Their objective was to make a profit, but their operating costs were lower because wages were lower. That was not so in the case of Russia, when they came in and took that market. I am reliably informed by an official of the Department of Trade and Commerce—this can be checked by reference to the minister or other officials of that department—that the Russian technique in invading the British market is that they will come in with a particular type of lumber which is in demand, and even though the lumber may be needed at home in Russia, they will quote to supply the whole demand at a price that is better than the Canadian price for a particular kind of lumber.

I imagine when he uses the word "better" he means lower.

> It is even better than the Swedish and Finnish prices in some cases. Then if you repeat the order they will give you a further reduction. That is not done by any cartel. That is done by a government trade agency. Does that answer your question?

He went on then to deal with another matter. I should like to point out that our problems and difficulties in the export markets could not be even partially solved by the amendment before us now to exempt export activities from prosecution under the Combines Investigation Act. I refer particularly to our difficulties in so far as the Soviet union is concerned. Mr. Nicholson has pointed out here the manner in which the Soviet undertook to export lumber to Great Britain,

thus cutting into the amount of lumber that had been exported from Canada prior to 1954. I have not been in Russian nor have I worked in industry there, so I have no personal knowledge of these facts, but it is generally understood that Russian exports are controlled by a state organization. They have no worry about profits; they have no worry about costs of production; they have no balance sheets which have to be totalled up. The cost of production can be absorbed by society as a whole. The selling price in the world market means, in fact, relatively little.

Canada cannot possibly compete with the Soviet union in world markets because of the system under which the Soviet operates. When it comes to Sweden and Finland undercutting us because of wages, that is another matter. The natural implication of Mr. Nicholson's remarks is that if wages are the only factor, then one solution perhaps would be to reduce wages here to a point where they were comparable with wages in other countries so that we would be able to compete on price. Alternatively we could increase our productivity to the point where we were producing units of wood or whatever it was, say 1,000 board feet of lumber or squares of shingles, at lower per unit costs and then we would be in the position where we could compete. None of these things can be accomplished by an amendment to the Combines Investigation Act.

If it is desired to tackle this question through the Combines Investigation Act, then this amendment fails to meet the problem because it refers only to those exemptions connected with price conspiracy under section 32, which covers agreements between so-called competing corporations. There is no reference whatever in the minister's amendment to the activities of monopolies in the export market. It is true that a monopoly, because there is only one corporation, would have difficulty in conspiring with itself to set prices. It is an automatic action that a monopoly takes to meet these conditions. However, a monopoly does operate in the export markets, and that fact is not dealt with in this amendment.

Then we have to consider the problem of the merger of two companies in the export field. Suppose there were two competing firms, Anglo Canadian Fish Company and B. C. Packers or any other two fish companies or two lumber companies, which entered into a conspiracy in relation to the export of articles, and that conspiracy had no deleterious effects on the domestic market. For the sake of argument let us say that the conspiracy with regard to the export market was protected by the proposed amendment to add subsections 4 and 5. These two companies merge, and they are still engaged in export trade. There is then no conspiracy, because the companies have merged and there is now a monopoly or price leadership situation. What is the position of these companies in so far as the Combines Investigation Act is concerned?

As I understood the amendment originally proposed by the hon. member for Bonavista-Twillingate in the banking and commerce committee, it dealt with mergers and monopolies as well as price conspiracies. It appeared to cover the whole range of illicit corporate activities with which this Combines Investigation Act seeks to deal, apart from the resale price maintenance and price discrimination provisions. These are matters which I think should be dealt with and answered.

There was one other matter which I raised and upon which I was not satisfied with the answer given to me by the minister last evening. I think perhaps the point I made is still valid and I should like to reiterate it. In paragraph (c) of the proposed subsection 5 which is before us it is stated:

(c) has restricted or is likely to restrict any person from entering into the business of exporting articles from Canada;

My contention was that there could be some conflict between that provision and the provision in subsection 3 of section 32, which reads in part as follows:

—has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry.

It was my thought that the minister should have included these words "or expanding a" also in (c). The minister maintains that these things are dealt with in other paragraphs. He mentioned that paragraph (a) contains protection in this regard when it talks of reduction or limitation of the volume of exports of an article. I believe he also made reference to paragraph (b) in which the language used is:

—has restrained or injured or is likely to restrain or injure the export business—

It could be interpreted to mean that if it prevented the expansion of business, therefore it meant to restrain or injure the export business of any domestic competitor who is not a party to the conspiracy, but I think for soundness and for sense my suggestion should be followed. There is a connection between the activities of corporations which conspire to set prices, to limit production, to limit supply or to do any of the other things prohibited in subsection 1. There is a connection as to whether these activities are in the export field or whether they are solely in the domestic field or whether they are

all one or a bit of each. There is a close connection. It is very easy for the activities in the export field to spill over into the domestic field and to injure trade or commerce in Canada internally as a result of their extraterritorial designs and activities.

I think it would be best to place these words "or expanding a" in the subsection so that it reads substantially the same as subsection 3. It is dealing with the same thing. The minister started off in subsection 4 by relating it to a paragraph in subsection 1 and saying that in any prosecution under the subsection a corporation may be convicted if certain things take place. This is the same argument or the same thought that is expressed in subsection 2 where it refers to a prosecution under subsection 1. They are relating to subsection 1 in each case. Subsection 3 indirectly relates to subsection 1 because it talks about entering into or expanding a business. I think these things all have a connection with the basic prohibition against conspiracy to injure trade, fix prices and so on.

Accordingly in this regard, Mr. Chairman, I think I should formally place this matter before the committee by moving:

That the amendment be amended by deleting in line 2 of paragraph (c) the word "the" between the words "into" and "business" and substituting therefor the words "or expanding a".

In my view this amendment would bring the provisions or the words in line with those in subsection 3. I do not think it would have as great a tendency to leave the court in the position of wondering whether we meant something different, as to the activities of a conspiracy and their effect on the export market, from what we meant when we were talking about a conspiracy to exchange statistics internally and its effect upon the domestic market.

If it is the intention of the minister that he means something different, then that is another case entirely, but it appears to me that we are getting at the same thing. It seems to me that the minister wants to ensure that if there is a conspiracy on the export market, this should not have any detrimental effect internally, within the nation. Such being the case I think this suggestion should be adopted, for the sake of consistency and in order to make it easier for the courts, if a case such as this gets into the courts, to determine just what parliament was getting at when it drafted these particular words.

Mr. Fulton: This matter was discussed last night and I explained that we had thought about this problem. It is not as though the amendment was drafted without a good deal of care and consideration. We came to the conclusion that the problem of preventing somebody from expanding in an export industry is covered by a combination of subparagraph (a) and subparagraph (b) of this proposed subsection 5. Surely if the arrangement would prevent the expansion of some business in the export field it is covered by (a), because the arrangement is likely to result in limitation of the volume of exports of an article; and if it was not covered by that provision, the arrangement would certainly have the effect of restraining or injuring or being likely to restrain or injure the export business of a domestic competitor under (b). Hence in either one or both of those subsections the problem has been covered.

As I said last night, what my hon. friend seeks to do, whether or not there is any necessity or any logic for it, is to force words which are applicable to one situation into a section or subsection applicable to another situation. Following that course would result in the complete distortion, twisting and straining of words, or else a framing of amendments beyond their natural and proper meanings or their logical and proper compass.

I therefore oppose the amendment, not because I say the objective sought to be achieved is undesirable, but because the objective is already achieved. It has been carefully considered as a matter of drafting, and I submit that the hon. member for Skeena does not base it upon any sound proposition. He would be sound if he could show that it was not covered, but he cannot do that. He is simply basing it on the proposition that exactly the same words should be used in all parts of the bill. That is a proposition with which I cannot agree.

Some hon. Members: Question.

Mr. Howard: I think we can show that it is not covered. As I followed the minister's argument, what he says is that expanding a business, for argument's sake, is dealt with in subsection (a) and that if there is a limitation on the volume of exports as a result of this conspiracy, this means that someone has been prevented from expanding.

Mr. Fulton: No; I put it in exactly the reverse way. If somebody is prevented from expanding, then there is certainly limitation of the volume of exports.

Mr. Howard: If someone is prevented from expanding then there is a limitation of volume, the minister says.

Mr. Fulton: Yes.

Mr. Howard: That is not necessarily the case. The limitation of the volume or the amount of the volume is controlled by factors outside Canada. If, for argument's sake, in the fishing industry they are not able to sell the whole pack because of other factors over which we have no control, factors in other countries and so on, this is a limitation of volume and it could be agreed that this conspiracy has to a degree resulted in that situation. They could argue the other way very easily, and I think with justification; that it was not their conspiracy which resulted in limitation, that it was factors outside the country which resulted in limitation and that therefore they should not be charged.

That is one of the circumstances with respect to so-called competing companies which engage in a conspiracy in the export market, the business structure of one within Canada increasing and the volume of production expanding, and where the other one's volume of production decreases because of factors not related to the conspiracy. Due to, say, a change in ownership or better business management, company A's business expands, company B's business declines, yet the volume of exports of company A remains the same because of factors outside the company. Now, what if this conspiracy prevented the expansion of one company while at the same time another company's business declined?

Mr. Fulton: Then you come to (b).

Mr. Howard: That is one instance which I think might occur and is an argument for putting "expansion of business" in here.

Mr. Fulton: Under the circumstances the hon. member has mentioned it would be covered by (b).

Mr. Howard: I think not, because (b), as I read it, only makes reference to restraining or injuring the export business of a domestic competitor who is not party to a conspiracy. I am talking about people who are party to a conspiracy if an expansion and decline of business take place within the conspiracy. Subparagraph (b) reads:

> —has restrained or injured or is likely to restrain or injure the export business of any domestic competitor who is not a party to the conspiracy, combination, agreement or arrangement;

So with regard to the case I dealt with which might arise, the minister says it could be dealt with under (a), or if not that it could be dealt with under (b). I submit that is not correct because (b) only deals with people outside the conspiracy.

Mr. Fulton: But if it is not one of them which is hurt, if it is not a member of the conspiracy whose volume is reduced, obviously the conspiracy has resulted or is likely to result in a limitation of the volume of exports. So either way it is demonstrable that the situation is covered.

Mr. Howard: The limitation could result in the volume of exports of an individual company being limited or the total volume of exports from the industry being limited. Subparagraph (a) does not talk about either one or the other; it merely talks about the limitation of the volume of exports of an article, and I submit it is the total exports which we are talking about in (a). If it is to be changed to make it clear whether it is talking of the volume of exports of an individual company or something else, then that is fine. But it talks of the volume of exports of an article, which is the total of the exports and which the minister said earlier is what we are concerned with. I was asking whether or not the word "volume" should be changed to "quantity and quality", but the minister said no, because in this context we are talking of the total volume and not the quantity.

Mr. Pickersgill: I do not feel that the hon. member has made any case at all for the amendment, and I do not think I would be able to support it.

Mr. Fulton: I do not think I can add anything, Mr. Chairman. It is obvious that we are just in disagreement.

Amendment to the amendment (Mr. Howard) negatived: yeas, 5; nays, 52.

The Chairman: I declare the amendment to the amendment lost.

Mr. Howard: May I raise a point of order at this stage. I wonder, Mr. Chairman, if you would make a ruling or perhaps acquaint me with rulings which have been made in the past as to the position of a member who comes into the chamber after a vote has been called and is in progress. Does he have the right to vote?

The Chairman: I think the rules are clear that when a vote is being taken, no one can enter the house or walk into the chamber.

Mr. Howard: I do not wish to make an issue of it in this particular case, but I did notice two members on the opposite side of the house who entered the chamber while we in the C.C.F. group were standing and being counted and the vote was in progress. They subsequently stood and voted in the negative on the amendment to the amendment. As I say, I do not wish to make an issue of it at this stage or mention the hon. members by name, but I think we should keep that in mind for future activities.

Mr. Pallett: Mr. Chairman, on the point of order, since the hon. member has raised it, it might be of interest to determine just what is the chamber, and whether an hon. member standing behind the curtain at the time the vote is called and who then steps in from behind the curtain is allowed to vote.

Mr. Argue: It is not where one comes from; it is what one does.

Mr. Pickersgill: On the point which has been raised, I know this matter has been considered before and that when a vote is called hon. members must be sitting in their seats if they are to be allowed to vote. It has never been recognized that a member could come in once the counting started and take his seat and then stand up to vote.

The Chairman: For the benefit of the record perhaps I could quote here paragraph (2) of rule 12:

When Mr. Speaker—

And I understand that it applies to the committee as well.

—is putting a question, no member shall enter, walk out of or across the house, or make any noise or disturbance.

Mr. Fisher: On the point of order, in committee generally quite a number of hon. members do not sit in their own places, and it seems to me that what Mr. Chairman has read applies more to votes in the house when Mr. Speaker is in the chair rather than in committee.

Mr. Fulton: It does not say they must be in their own seats; it simply says they shall not enter, walk out of or across the house.

Mr. Fisher: Then it would interest me to know whether a vote in committee is proper if hon. members are not in their proper seats.

The Chairman: When we are in committee I think hon. members must be sitting in seats. Standing order 59 (1) reads:

The standing orders of the house shall be observed in the committees of the whole house so far as may be applicable, except the standing orders as to the seconding of motions, limiting the number of times of speaking and the length of speeches.

I take it that it has been recognized that no hon. member, when Mr. Speaker is in the chair, can be recognized unless he is sitting in his place; but I think when a vote is taken in committee it is not necessary for an hon. member to be sitting in his own seat.

Mr. Pickersgill: Not in his own seat, but in a seat.

The Chairman: Yes, in a seat.

[Mr. Howard.]

Mr. Howard: Mr. Chairman, I thought the hon. member for Peel raised a point of order in which he asked for a ruling on whether the area behind the curtains is in the chamber.

Mr. Fulton: Mr. Chairman, if I may make a respectful suggestion, the question of whether the area outside the curtains and inside the inner walls is in the chamber is a rather complicated matter not free from uncertainty, and I doubt if it is quite fair to ask the chairman of this committee to make a snap ruling on this question. I think it is one you would want to consider very carefully before making a ruling.

The Chairman: I do not think I have to rule on that but only on the application of standing order 12.

Mr. Pickersgill: Mr. Chairman, if this interesting point has been sufficiently canvassed I should like to come back to the amendment before the committee solely for the purpose of replying out of the mouth of the Minister of Justice to the Minister of Justice the last time he spoke. The Minister of Justice said it was not the amendment that I moved in the committee on the last day that was responsible for the amendment now before the committee. I am not going to argue in any other way except in the words of the Minister of Justice, which I am now going to put on *Hansard* to show that the Minister of Justice said that it was precisely that. Here are the hon. gentleman's words as found at page 751 of the committee proceedings of July 18. The minister said about my amendment:

So, for all these reasons—

That refers to the reasons the minister had given up to that time:

—but mainly because I do not think this amendment, as worded, contains sufficient safeguards in the interest of the domestic market and of consumers in Canada, I suggest the amendment be not accepted.

I ask hon. members to note these words:

However, I am prepared to say that, welcoming as I do the indication from the official opposition that improvements could be made in the situation of Canadian industry, without weakening the effect and intent of the combines legislation—

Perhaps I should repeat those words:

—welcoming as I do the indication from the official opposition that improvements could be made in the situation of Canadian industry, without weakening the effect and intent of the combines legislation, I am prepared to consider this question of export trade further and to see whether between the time when this bill may be reported and the time it may come up for consideration in the house we, ourselves, can come up with an acceptable amendment to deal with the position of the export trade.

For the reasons I have given, I do not think this amendment, as presently drafted, meets the criteria which this committee, or any government concerned with the welfare of Canadian consumers, could adopt.

My suggestion is that the amendment be rejected, but that the principle be re-examined to see whether a proposal consistent with the interests of Canadian industry in the export field, and the overriding interest of consumers domestically, can be devised. And, if it can, the government would be happy to suggest such an amendment in the house.

I think we can just leave those words on the record, because they speak for themselves.

Mr. Fulton: Of course, Mr. Chairman, those words are on the record; but it might interest the hon. member to know that before had moved his amendment I had had meetings, as we believe it proper to do although my hon. friends opposite seem to think it is improper, with hon. members supporting the government who were on the banking and commerce committee. I had already indicated to them that I was prepared to reconsider the matter, so of course I was glad to have that evidence of agreement on the part of the hon. member for Bonavista-Twillingate. But I assure him most sincerely that he is in error when he seeks to attribute to himself the sole credit for the amendment now before the committee.

Mr. Fisher: Mr. Chairman, I should like to ask the hon. member for Bonavista-Twillingate whether he believes the amendment about which he is so enthusiastic and for which he wants to claim a certain amount of paternity or maternity—I could not ascertain which—will be satisfactory as a part of the law for a long period of time, or does he see it only as a temporary means of assisting certain sectors of the export trade?

Mr. Pickersgill: I shall be glad to try to answer that question briefly. I have other evidences of paternity, so I am not particularly interested in the paternity of legislation. Of course I do not object to the minister talking to his friends. I talk to my friends, and I think it is very proper that the minister should talk to his. However, I will still go on believing, despite what the minister said this afternoon, that what the hon. gentleman said that day in the committee is what he really meant. But that is another matter.

To try to answer the hon. member's question briefly, I think it was always intended that, except in so far as a combination had a detrimental effect on competition in Canada, this legislation should not apply to the export industry. In any case I always understood that was the intention, I always thought it was the intention, and I think it should be the intention. I also think that in a period when we do not enjoy a seller's market in the export trade the balance as between the promotion of exports and making absolutely sure that domestic consumers all the time get their supplies is very often on the side of maintaining our export markets and our income in order to buy goods at all.

Anybody who represents mainly fishermen and loggers, as I do, will appreciate what I mean. I am quite sure I said that yesterday and the minister said that too. I do not think either of us is absolutely sure that this amendment will work out entirely satisfactorily. I think it is a pretty good effort at drafting. It seems to me it represents pretty accurately the kind of thing that most of us in the banking and commerce committee and most of the witnesses who were concerned about this matter really wanted. It may be that some of those in the export business would not be as much concerned about consumers as we are, but I think it is a pretty good effort and a splendid tribute to the skill in draftsmanship of the officials who prepared this amendment.

Mr. Fulton: Hear, hear.

Mr. Pickersgill: As far as I am concerned I hope it works out not to the disadvantage of consumers and I hope it does something to help our export industry. At the same time I thoroughly agree on one point with the hon. member for Skeena, with whom I do not always agree. If I thought this amendment was going to lull the government into feeling that it has now solved the export problem, I would have grave misgivings about it. I believe this government has a terrible problem which it is not facing up to in maintaining and expanding Canadian exports, but that is no reason for not supporting anything that I think may be of some little help in this regard, and that is what I think this may be.

Mr. Fisher: To return to the general discussion, I was not able to be present yesterday when considerable time was spent on this subject. I wish to reiterate my support of the stand of the hon. member for Skeena. We are not going to support this amendment. I scrutinize the statement made yesterday by the minister when he introduced this. I am curious about some things he said, especially in relation to the question asked by the hon. member for Bonavista-Twillingate. At page 6971 the minister is reported to have said:

—in the light of the current position in international trade, the situation of Canadian industry is declining—

At page 6972 the minister is also reported as having said:

However concerned we may be about the welfare of our industry in the export field, it still remains the primary concern of all of us to protect the interests of the Canadian consumer at home.

I do not suggest there is any conflict, but as the hon. member for Bonavista-Twillingate indicated some are not concerned enough about the trade position. We feel the only way we can keep a reliable economy alive is through promoting export trade. I come from an area that is even more dependent upon the export trade than the minister's area. I might add that probably my constituency puts more into the export trade in terms of returns to the country than the whole province of Newfoundland.

Therefore when I take a position with regard to this particular amendment I do so with some care because I know there are five pulp and paper mills, mostly in the export market, in my constituency alone, plus several substantial base metal mines. The reason I do not wholly agree with the amendment is that I think it only partly meets the problem. It seems to me it has relevance particularly to the British Columbia fishing and lumber industries. It seems to me that this amendment will be more useful perhaps just to the mines or to the tender susceptibilities of the British Columbia lumber industry than to the salmon packing industry. I am not sure about the effect it may have in so far as the base metal mining industry is concerned, which seems to me to be the other large group that had a representation to make when they appeared before the committee on this matter.

I am not an expert in the international trade field, but I look at the copper situation. I understand that the world price tends to be determined to quite an extent by what is in effect a cartel, in which Canadian copper producers play some part. I think everyone who has been following the crises in Chile and the labour troubles of the Congo, on account of nationalism, recognizes that this factor has been discussed a number of times: What is going to be the effect of the particular troubles there upon world copper prices? My understanding is that several large companies which have a certain kind of interlocking relationship do play a very important part in so far as the world price is concerned.

There is a parallel to the copper situation which is recognized, and that is the question of oil. I think it is recognized here that price determination is not a matter of national groups putting copper or oil on the international trade market. This is what the minister emphasized in his speech, and this would be one means of enabling Canadian industries to face what is in effect a national type of organization. He mentioned Russia, Japan and other types of cartels.

I should very much like to hear from the minister what effect this may have in giving encouragement to Canada to play a greater part in these international oil and copper agreements which, at least from many points of view, are looked upon as not very bad. In other words, there are two kinds of cartels operating in the international field to where our products may be going. One is the national type, or it may now be the regional type as a result of the European common market, and there is also what you might say is the industrial products kind. It does seem to me that this amendment considered this particular possibility.

I do not think that the mining industry, from what I know of it, has ever been particularly stopped by this legislation. I should like to have more specific examples before I would like their position to be taken into consideration. I understand that up until recent years International Nickel to quite an extent, because of their overwhelming share of the market, did, I will not say set the price because the price has some relationship to demand, but they were in a very powerful position and we have heard arguments in the past that they controlled the market. Therefore it seems to me that this amendment is to a degree a sop, or a go-ahead, to two specific groups, namely the British Columbia lumber industry and the salmon industry.

I do not know much about the salmon industry, but I do know what the British Columbia lumber industry does to the lumber industry in eastern Canada and in northern Ontario in particular. Here again it is always a competitive swirl. What happens when the British Columbia lumber industry has difficulty in marketing its lumber or plywood in Britain? I think the minister is aware of it. Immediately they begin to dump some of their surplus on the eastern Canadian market; and because of its very volume and certain transportation rates they have, they are able to put our spruce producers or our plywood producers almost completely out of the market. Our people who produce lumber or pulpwood in northwestern Ontario are delighted when the British Columbia lumber people have an export market, because it means they are not ruining our people.

I make this point. There is a very close connection between the export market and the domestic market in terms of the way British Columbia dominates all the rest of the lumber industry in Canada once it finds its export market has shrunk. This underlines to me the very close connection between the export and the domestic markets and the correlation of price and volume to demand. Therefore it does not seem to me that this amendment is an adequate way to face up to the general problem.

I think we are going to move to the stage where we shall have to have, despite the

fact that the lumber industry particularly is against it, some kind of marketing arrangement, with government sponsorship and government participation, which will enable us to meet the challenge in more fields than just salmon or lumber. We have already a recognition of this in fields such as wheat, where there is no problem of the exporter being ruled as a cartel, a combine or a conspiracy because the sale of wheat is government sponsored.

I would be delighted if the minister would give some indication that in the very severe trade picture facing Canada, the government is giving some consideration to sponsorship or participation in a way which will allow us to gear for great expansion in our exports, and certainly to the effect that there would be no penalty for such a conspiracy. But until we know more of the relationship between the export position and the domestic position, it seems to me that this is an inadequate measure.

I do not think the minister would go ahead with this amendment unless he had looked at all the problematical circumstances with respect to our export trade. As I understand it, the largest single export is pulp and paper, or more specifically newsprint. What effect is this amendment going to have in the newsprint field? As I understand it, at the present time the price of newsprint is not a wide open matter. There is very little price fluctuation, and in so far as the United States market is concerned, while there is a certain amount of negotiation and a certain amount of spill of production at a lower price, in the main the price is one that I would not say is set by a conspiracy or coalition but is set by what might be called the big manufacturers in the field.

I remember there were charges several years ago when the head of Abitibi, I believe, D. W. Ambridge, announced an increase in the price of newsprint. There was a big holler from the Americans. I believe a United States senator said that here was an indication of the kind of conspiracy that went on in Canada to milk or bilk American buyers. There surely is quite a close relationship between the price set by the industry for newsprint that goes to the United States and the price that is paid within the domestic market.

I should like to know, for example, the price the Winnipeg *Free Press* pays for the paper it may buy from the mill at Pine Falls, and the price the mill at Pine Falls gets for the paper it ships to the midwestern United States. I do not believe anyone has ever made a great issue about it, but I think the export price determines the domestic price completely, and that the only difference is in the packing and transportation cost of moving a roll of newsprint from Pine Falls to Winnipeg compared with moving a roll to St. Louis, Missouri, let us say.

When the largest and most profitable of all our export industries is in a position where the relationship between the domestic price and the export price is almost identical, except for the difference in transportation costs, I wonder whether in effect we have not got in this industry just what this amendment sets out to clear. In that sense I intend to argue that the amendment is not necessary. I think it was partly the view of the hon. member for Bonavista-Twillingate that he had always thought this would hardly apply in the case of something that was a great earner for Canada. These points indicate to me that this is a much larger and more complicated problem than this amendment can deal with.

It was interesting to note that to an extent the minister agreed with this view. He talked in his speech about the economic problems involved and how complicated the whole matter was, and said that perhaps they should wait for a report from the restrictive trade practices commission. Before we even think about a report from the restrictive trade practices commission I think we should consider something much broader, the whole role of the Canadian government with respect to export trade.

We are avowedly socialists, I believe, and I would expect our point of view to be markedly different from the Liberal or Conservative position. The minister referred to the crisis in export trade and our declining position. I was pleased to hear him say this, because it seems to be in conflict with the somewhat rosy picture we occasionally get from the Minister of Trade and Commerce. It is my view that the situation is serious enough that as a nation we must have a much grander sweep in the export trade picture, and that this amendment is more or less a temporary provision that does not make enough sense for us to be able to support it.

Mr. Howard: Mr. Chairman, there is one point which I think should be made, and I should like to move an amendment with respect to it. I am still of the opinion that there should be a relationship between the activities of conspirators under this section and the results of their conspiracy in so far as the prohibitions in subsection 1 are concerned. I believe this point should be covered; therefore I move:

That the amendment be amended by deleting the word "or" at the end of paragraph (c), by

adding the word "or" at the end of paragraph (d) and by adding the following as paragraph (e):
"(e) contravenes subsection 1."

Subsection 5 would then read as follows:

Subsection 4 does not apply if the conspiracy, combination, agreement or arrangement...
(e) contravenes subsection 1.

That is in addition to paragraphs (a) (b) (c) and (d).

Mr. Fulton: With respect, Mr. Chairman, I think the arguments I advanced yesterday against a similar amendment moved by the hon. member apply here. I am sorry that I cannot accept the amendment.

Amendment to the amendment (Mr. Howard) negatived: Yeas, 3; nays, 51.

The Chairman: I declare the amendment to the amendment lost. Shall the amendment carry?

Amendment agreed to.

The Chairman: Shall the new section 32 carry as amended? Carried. Shall the title carry?

Mr. Fulton: Mr. Chairman, do we not have to carry clause 13 of the bill?

The Chairman: Yes.

Clause 13 as amended agreed to.

Title agreed to.

Mr. Churchill: Mr. Chairman, may I intervene to suggest that, as legislation has been considered today and by arrangement we do not go past one o'clock on such days, the luncheon recess be observed today.

Mr. Pickersgill: I must say in reply to the house leader I do not intend to exercise my right to refuse unanimous consent, though I must also say I do not see any reason why we should waste the next hour.

Mr. Fulton: We could have third reading by unanimous consent by one o'clock.

Bill reported.

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

Mr. Pickersgill: Next sitting of the house. We want to see the amendments.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

SUPPLY

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

[Mr. Howard.]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—

282. Branch administration, $1,089,198.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, when the committee rose at six o'clock on Saturday the Prime Minister was speaking on the subject of Canadian participation in the oil and gas resources of northern Canada as well as the mining properties of the future in northern Canada. I should like to take this opportunity of repeating to the committee one remark made by the Prime Minister, which can be found on page 6874 of *Hansard*, in the right hand column. The quotation is as follows:

But what the minister has done in connection with oil has been to take one of the major steps ever taken in Canada to provide that this vast but exhaustible resource shall provide not only for economic expansion in our country, and ensure an exploitation of them which we can only consider in imagination, but at the same time maintain for Canadians their sovereignty over their country, because no nation worthy of the name can maintain its political sovereignty unless it has every regard for the maintenance of its economic sovereignty.

I read this statement by the Prime Minister to give me the opportunity of emphasizing again that since this government took office, not only have we moved to allow insurance companies to mutualize themselves when they are threatened by an invasion of foreign investment, but we have also passed the national energy act which ensures that before any monopoly or quasi-monopoly is given to any pipe line company, that company will have to satisfy the national energy board that full opportunity has been given for Canadian participation in the ownership of the shares of that company.

The other day I read to the committee the United States regulations, which indicate how that country tries to ensure that no alien shall have control over the resources on the public lands of their country. Their legislation goes back to 1930. As the Prime Minister pointed out, this great concern of the people of the United States over outside investment coming into their country and taking over their natural resources caused them to put these regulations in their statutes 30 years ago, and we only moved in that direction in Canada in 1959.

These regulations in the United States are identical to the regulations in Canada. The thing to remember is that all they had to worry about at any time in their history was the fact that about 15 per cent of the investment in their resources was foreign investment, while the foreign investment rate in Canada is much higher. This has caused considerable concern and anxiety among Canadians. As a result, we believe that we have

moved in a major way to give Canadians the chance to participate in the ownership of the resources of this country. We believe, furthermore, that this step was long overdue in this country.

At this time I should like to point out that the regulations in connection with oil, gas and mining only become effective at the time the company goes to ownership. It does not affect them during the exploration period. We simply make certain that every company taking out an exploration lease knows that before it goes to ownership there will have to be an opportunity for participation by Canadians. I should like now to read another of the mining regulations of our country dealing with the processing of these resources. This is regulation 101, and reads:

> All grants and leases issued under the provisions of these regulations are subject to the provision that all ores or minerals mined from locations described in such grants or leases shall be treated and refined within Canada so as to yield refined metal or other product, suitable for direct use in the arts without further treatment; in default whereof the grant or lease issued for such lands shall be and become null and void; and the said lands shall forthwith revert to and become revested in the crown freed and discharged of any interest or claim of any person or persons whomsoever and shall be open to disposal in such manner as the chief may decide; iron ores produced in excess of smelter requirements from locations situated on any of the islands of Hudson bay in the Northwest Territories may, however, be exported for treatment.

I have read this regulation 101 into the record in order to make it absolutely clear that the thinking does not confine itself just to ownership of the mine taking the resources out of the ground. I think it also indicates the government's thinking that there has to be some control over the use of those ores extracted from Canadian soil. Obviously it is to our advantage wherever possible to have these ores processed or refined to the maximum in Canada.

I point these things out in order to make absolutely clear which way the government is moving in regard to meeting the anxiety of the Canadian people over the fact that so much of their natural resources has gone into the hands of foreign investment. As the Prime Minister said on Saturday, we welcome foreign investment here, but we should like them to set up Canadian subsidiaries in which Canadians can invest and have ownership and control, and also we should like the Canadian subsidiaries to act with the national interests of the Canadian people in mind and not those of their parent corporations in whatever country they are situated.

This is a major step forward. I pointed out on Saturday that this is just a start. I have to say at this time that I think this brings into clear focus some of the differences that exist between the vision of development of Canada for Canadians by Canadians that this government has and the vision which was described on Saturday by one of the opposition members as the Liberal vision. In view of the fact that, in the case of oil and gas, between 80 per cent and 87 per cent of the reserves of Canada are now under foreign control and ownership, the question that we must ask ourselves is this. Where were these people with the vision of the Liberals these last 25 years? We have to ask ourselves, what did they do to reconcile the differences or clashes that occurred, as the Leader of the Opposition said, between this question of Canadian control and obtaining international investment? These are the questions which I think we have the right to ask the opposition. The debate we had here on Saturday in my opinion was a good debate, because it brought out in an objective way, and in a way that has been fair I think on both sides, the clear issues which are before us on this subject.

I think it is right for me to say, at least it is an opinion of mine, that the people of Canada ruled on this matter in 1957 and 1958. They thought that the government which had been here for 22 years sitting idly by while these resources had gone into foreign hands did not deserve the confidence of the people of Canada, and they therefore put in power the government led by the present Prime Minister.

The Liberals say they have a vision. I say they have no vision, because if we allowed this type of thing to continue for which they stood, Canada would soon be in a position in which, no matter what governments did, her resources would be gone unless there was a willingness to go into the policy of repudiation and taking over of contracts just as other countries have done.

The previous government is on record as saying that nothing could be done; that it was not the place of the federal government to do anything; that these resources belonged to the provinces and nothing could be done by the federal government to be helpful. I say that we have done something, and we intend to go on giving a lead. We know that the resources in the provinces belong to the provinces, and there will be no interference on our part; but I also suspect that as the provincial governments read these regulations we have put into effect dealing with our resources in the north, they will be following suit; because if they do not follow suit the people of the provinces will force them to do so by changing governments. We want to give Canadians a real chance to participate in the ownership of their resources. We have taken the lead as a federal government in

those areas over which we have jurisdiction, and we expect that the provinces will follow.

A second theme that arose during the debate on Saturday and on which I want to say a few words is this question which the Leader of the Opposition, with his fondness for parallel structure, put forward in this way. He said the Conservative vision was a mirage, that it was a series of declamations and not development. He said it was words, not action. I should like to join issue with the Leader of the Opposition on this point with a series of things that this government has done. But before I do that I should like to remind the committee of something that occurred in 1955 and 1956, namely the submissions of various groups to the Gordon commission which made a series of reports in 1955 and 1956. For example, I should like to start with a document that the Leader of the Opposition used, namely a brief presented to the Gordon commission by the commissioner of the Northwest Territories. The date of his submission was November 22, 1955.

I am going to read into the record the recommendations made by the commissioner of the Northwest Territories; then I shall have something to say about what was done by the previous administration and what was done about these recommendations by the present administration. I am quoting from page 23. The heading of the section is "Ways and Means of Encouraging Economic Development". I will start at paragraph 3 on this page:

> Before discussing how the costs of transportation can be brought down, the first question to be decided is whether it is desirable, at this stage of Canada's economic development, to introduce any special measures to stimulate economic development in the north. It could be argued that the development of the mineral resources of the country should be determined entirely by the current supply and demand position of the resources in question.

I am interrupting myself here in order to say that I have heard this argument presented in this House of Commons on several occasions.

> If a zinc-lead deposit is found in a region which is so remote that it does not pay the mining company or the railroad company to build a railroad to the deposits, the normal contention would be that the deposits should be allowed to stay in the ground until other mines are used up and it becomes profitable to build a railroad. The same line of reasoning could be applied to the economic development of the north generally.
>
> This line of argument might have considerable validity but for three facts. The first is that it is exploration as well as production which requires the stimulus of adequate transportation facilities. The second is that there is often a gap of between five and ten years between the time when a promising mineral deposit is discovered and when a mine can be brought fully into production—and in the north it is usually closer to ten years than five. This means that it is desirable to stimulate exploration approximately ten years ahead of the time when it is believed that the production from a region will be required. If nothing is done until the demand exceeds the known supplies, then additional supplies in the remote area will not have been discovered and will not be ready to come into production. Consequently, for a period of five or ten years prices of certain vital raw materials will be substantially higher than would have been necessary if a more far-sighted policy had been adopted.

Then it goes on to give the reasons, that is to say the needs of the people who live in the north. Then this brief to the royal commission recommended three things that should be done in opening up the north. The first of these was a railroad to Great Slave lake. The second was development roads, not roads to known developments but roads to open up virgin resources in new areas. The third was air routes to the Arctic.

Mr. Chairman, I mention these three practical suggestions put forward by the commissioner of the Northwest Territories as evidence that there was knowledge in the ranks of officials of the federal government of what had to be done. But what was the attitude of the government in power? This report was never submitted to cabinet. There was no action taken on these recommendations made by this commissioner. It was left to the new government coming to power in 1957 to pick up this report ignored by the previous administration and take the necessary steps.

I would like to make it abundantly clear that when we speak of these development roads and I hear members of the official opposition standing up and saying that this submission was given to the Gordon commission when they were in power and that all these are their ideas, nothing could be further from the truth. Because a year after this submission was being transmitted to the Gordon commission we had a minister of the crown in that government, the former minister of northern affairs and national resources, speaking in Toronto at the meeting of the Empire club, on December 13, 1956.

I will not go through the whole 18 pages of his speech, but I would just read his conclusions. In his speech he described the list of things which the federal government was doing by itself and the list of things the federal government was doing in co-operation with the provinces. Then he pointed out that these resources belong to the provinces and that there is not very much the federal government can do. Then this is what he said about our national development plan, and I quote now from his speech:

> To go beyond that, however, to try to impose an over-all blueprint, a national policy as some understand it, for resource management, to do that is to depart from the facts of our national situation. I have suggested already why such a master plan must fail in its purpose. In a country

as vast as Canada with widely different conditions and with different problems in different areas, there cannot be a single and unified policy for the management of resources.

Mr. Chairman, I have put this on the record before. Mr. Lesage's attitude was that you could not call a conservation conference, that the difficulties were so great and the regional problems so intricate that it would be impossible to get anything done. Therefore the government of that day continued a characteristic which had become part and parcel of them in the last ten years of their office. They were passive. They did nothing. They let these problems mount up and mount up and mount up and did nothing.

Mr. Chairman, that is why I used the expression in my opening remarks that this government differed from the previous administration; that we were a dynamic government; that we believed that private enterprise should develop our resources. We believed there were certain things which governments could do which would encourage private enterprise to go into the remote areas of our country and develop these resources for Canadians and by Canadians.

The Leader of the Opposition was somewhat concerned when I mentioned this and saw fit to get up and say that his party were dynamic. He quoted a speech of his in 1953 which listed all those things which should be done. All I point out is that if you want to say that some believe in declamations and not developments, there was that government. They made the declamation in 1953. There were officials of the government who made the representations to the Gordon commission, but the government did not take those recommendations seriously and did nothing about them.

I would like to point out by contrast just what this government did. Communications have been mentioned; I and other hon. members, including the hon. member for Mackenzie River, have said that communications in the north are vital. At the present time there is telephone communication—in fact at this very moment—between Ottawa and Frobisher bay; it went into effect last December. At the present time there are communication lines being built through Alberta, British Columbia, Yukon, right through to Alaska. At the present time there are communication lines being built leading up to Yellowknife; I think the target date for completion of the last two I have mentioned is next year. We have demonstrated, not by speeches made in 1953—

Mr. Chevrier: What about the Pine Pass railway?

Mr. Hamilton (Qu'Appelle): I will come to that.

Mr. Chevrier: You had better hurry up.

Mr. Hamilton (Qu'Appelle): I have lots of time.

Mr. Pearson: Repetition is reputation.

Mr. Hamilton (Qu'Appelle): In spite of the fine speeches of the Leader of the Opposition in 1953, we have the speech of the responsible minister saying that nothing should be done.

Let me now pass on to the next thing we have done. It was clearly evident that there should be more knowledge of the north, one of the great valuable areas of the world lying unpopulated and uncontrolled. Outside of a few meteorologists, a few mounted policemen, a few Eskimos and a few odds and ends of government personnel from various sources, there was no one in these Arctic islands. We set up a polar continental shelf study under the Department of Mines and Technical Surveys, and now leading scientists of the government service are finding out these necessary things about our Arctic islands; they are providing the knowledge about and sovereignty over our country and helping private enterprise industries to go up there and find resources.

As to oceanography, there is an institute of oceanography being set up now in Halifax. Why was this not done years ago? To move into our northern islands in order to fully develop our shores we have to know about ocean currents. The Russians are leading the world in this work at the present time, and we are finally doing the things which should have been done a generation ago.

Then last year we spoke a little bit on the estimates about airfields. I would like to read a list of airfields built by this present government to help mining operations in the north. There is the airfield at Yellowknife mines; the airfield to be built at Rayrock mines in the Northwest Territories. There is the airfield we are still building for Taurcanis Mines Limited; and now there is a proposal before the government to build an airfield for Canada Tungsten Limited at Flat lake, Northwest Territories. I mention these things in communications and Arctic research to show we are moving forward.

With regard to the depths of our waters off our coasts, I asked the Department of Mines and Technical Surveys when we first came into office how long it would take, at the rate we were going, to get information about the depths of our channels and harbours in these northern areas and on our coasts, and the answer was 250 years. I maintain that a government that can move at that pace is not dynamic; it is as passive as a piece of jelly. It just jiggles and does not go any place.

I would like at this time to list the development roads we have built under the recommendation of this submission to the royal commission. There are the Yukon, Pelly and Stewart rivers which now have bridges across them which were not there two years ago. This makes it possible to double and triple the tonnage coming out of the mines in question there. We have rebuilt the Canol road up to the Ross river, and one of the most interesting discoveries in Canada is taking place there, the discovery of molybdenum which is used in hardening steel. Then there is the road from Watson Lake to Carmacks; construction was started this year. There is the road from Eagle plain which I have already described, and that was a road so vital to the oil industry that when we did not get through the pass which we had to overcome in the first 50 miles last year, the oil company was not even willing to wait until this year to do its exploration and built a temporary road 300 miles round the mountains so they could do their exploration last year.

Mr. Chairman, I mention these things in passing. I did not mention the road around Slave lake because it is under survey this year. I mentioned that our interest had been switched to the Fort Simpson-Laird-Fort Nelson road. I just list these things. We did not talk about what the royal commission recommended, nor did we make declamations about it. We took action, and that illustrates the difference between the passivity of the previous administration and the dynamic activity of the present government.

We know there is much to be done. We see these great sources of hydro power on the Yukon river. We see them in the east on the Hamilton river in Labrador. We know that before this country can move forward to the point where cheap processing of our goods is possible, we have to be able to harness and move tremendous reserves of energy from surplus to deficit areas.

The Prime Minister put this on record last September in the town of Kitimat, British Columbia. He indicated that what this country needs is a national power policy. This national power policy has as its heart and centre a grid tying together these great reserves of power in the remote areas in our north into which large quantities of surplus energy in electrical form can be poured at any time and taken off at any point.

This government did not just talk about this matter. It set up a special research group on long range transmission. I call as witness to this action the premier of British Columbia. Mr. Bennett knows about this and approves. He is quite interested in the Peace river and in having the northern part of his province hooked into this national grid. I call as witness the premier of Newfoundland. He has been made aware of our thinking in this regard and has spoken of it highly. In fact I think he got carried away with enthusiasm one night at a service club dinner and divulged what was going on with respect to the possibility of some people from Russia coming in. I call as witness, too, the previous administration of the province of Quebec, as well as a representative of Ontario hydro, Mr. Hearn, the president, Mr. Duncan, and Mr. Cass-Beggs of the Saskatchewan power commission.

The Deputy Chairman: Order. I am sorry to interrupt the minister, but his time has expired.

Some hon. Members: Continue.

The Deputy Chairman: Does the committee give unanimous consent to the minister to continue?

Some hon. Members: Agreed.

Mr. Chevrier: We did on Saturday and we do again now, so carry on.

Mr. Hamilton (Qu'Appelle): I thank the committee, Mr. Chairman. I mention this because it is important. The plan we have of national development does not just concern itself with "ad hoc-ery", to use a term taken from Mr. Lesage's speech, "a little bit here and a little bit there". We had to cut out the undergrowth and pick up a series of projects in various parts of the country to enable what had to be done to be carried on.

Mr. Chevrier: Is this "in-mockery"?

Mr. Hamilton (Qu'Appelle): I suggest too, Mr. Chairman, that a country with the great resources we have of butane, propane and other L.P.G. fuels which are going to waste in many parts of the country must bring these into deficit areas. If this were done our whole country would be better off.

The hon. member for Laurier asked about the Pine Point railway. I think it is time I put before the committee some of the facts about this matter. The Pine Point railway was recommended in the submission of the commissioner of the Northwest Territories in 1955, and the previous government did nothing about it. In 1958 there was mention of it in the speech from the throne. We were willing as a government to go ahead and build that railway, because we knew first of all from the over-all position of the lead and zinc supplies of the world that there was

need to get moving fast in the production of more lead and zinc in Canada. At that time we knew there was a surplus, but we also knew it would take several years to bring this mine into operation.

We put ourselves on record as being willing to build this railway. However, the local people in Alberta, by representations to the government and by statements in the press, indicated that there was a difference of opinion as to where this railway should be built. We had cognizance of the fact that in a democracy where there are differences of opinion, those differences should be brought before a body who could reach some determination. The governments of British Columbia, Saskatchewan and Alberta and the people of those provinces as well as various companies made representations on the subject. The report is now before the government.

I am not going to make any comments on the report itself with but two exceptions. The decision of the members of the commission is clear to all those who have read the report. I think certain facts should be brought forward. In the first place this railway is estimated to cost over $65 million. The government will have to put up not $65 million or $68 million—whatever it comes to, we do not know—but the traditional subsidy to development railways which is $25,000 per mile, or roughly $10 million, and the railway companies will have to put up the balance. That is one fact.

The second thing on which I should like to comment is this. The suggestion was made in the report of the royal commission that it might be possible to take this tonnage out by road from the Pine Point mine. Theoretically that is possible, but I want to warn hon. members of the committee that the report ignores the question of who is going to build and who is going to pay for the road to bring out this 200,000 tons of ore a year. In the opinion of my engineering officials the capital cost of building a gravel road would be in the neighbourhood of $39 million, and the capital cost of a paved road would be $53 million. The cost of the operation and paying capital expenditures indicates that once you reach the figure of approximately 95,000 tons per year it would be cheaper to build the railroad than to construct a road. If the road were paved and the cost were higher it would take a higher tonnage before it was balanced off; or in plain terms, the cost of building and maintaining a road for a tonnage greater than roughly 100,000 tons a year is such that it would be better in the long run to build a railway.

I mention that because with these facts in mind, in view of the government's willingness to go ahead with this railroad, it is clearly evident where the government stands on what it wants to do. I have not had much help from the commission in deciding on the route.

Let me deal with another point under this heading. I was asked by the Leader of the Opposition if we considered markets when we went into these development projects. The implication was that if you did not consider the marketing possibilities there was no use opening up the mine. It is no longer a secret that if this mine is not in production by 1963 or 1964, lead and zinc will have to be imported into Canada to keep the smelters going at Trail. Those things were in the mind of my department when we made the proposition to the government that this railroad should be built. It is true that world lead and zinc prices had gone down at that time. It is true that there was an embargo or quota system against lead and zinc going into the United States. It is also true, however, that we proceeded in spite of these things, because we believed that the United States had no right to look upon us as an extension of their economy.

As minister of Canadian resources it was my responsibility and duty to recommend those things that would keep Canada in a position wherein our great reserves of lead and zinc in this country could be utilized and we would not be forced into the position of having to import. The extent of the importation can be realized by the following figures which I wish to place on the record concerning average foreign purchases.

Mr. Chevrier: Before the minister proceeds perhaps he will permit me to ask a question. If parliament were to approve the building of the Pine Point railway at its 1961 session how long, according to the information available to the minister, would it take to build the railway and have it ready for operation?

Mr. Hamilton (Qu'Appelle): My estimate on the basis of the information given me is about four years.

Mr. Chevrier: In that case it would not estop the importation of lead and zinc from other countries?

Mr. Hamilton (Qu'Appelle): That is quite true, Mr. Chairman. What I am trying to do is build up the evidence that assists people to realize the importance of going ahead with this railway.

Mr. Brunsden: May I ask the minister a question? Is there any disposition, as seen

by the minister, on the part of the Alberta government to participate in the capital cost of the railway?

Mr. Hamilton (Qu'Appelle): The MacGregor royal commission report on northern Alberta recommended that the government of Alberta participate in the cost of the bridge going across the Peace river, but I have not had any communication from the Alberta government showing its willingness to participate.

May I now give the figures to which I referred. It is estimated that the cost of imports at the Trail plant would be $14 million; it is estimated that in addition we would lose exports valued at $7 million a year, or there would be a total change in our foreign exchange balance of $21 million a year, owing to this railway not being built.

I have put the facts before the committee, Mr. Chairman, with the idea of giving some basis for an objective conclusion on the part of the people of Canada in making up their minds about what should be done with respect to the Pine Point railway.

I have transgressed on the time of the committee, Mr. Chairman, so I am going to conclude with this statement and I shall make it as strong as I can. The purpose of the government in its national development policy is to have more processing in Canada. This processing in Canada cannot come from sitting here idly, passively and letting things work out by themselves. We believe that in today's economics and today's world competition what is required is to get down to the simple basic facts of producing something cheaper than any other nation can produce it. This means that where you have great resources of energy in juxtaposition with great resources of natural products, and where these can be brought together to produce something cheaper by uniting the energy with the resources, we can hold our own in the world competition battle as a processing country.

Second, we believe that with the Canadian ingenuity, so well demonstrated in the past, in the field of metallurgy, our scientists will produce new types of steel, steel mixed with uranium, steel mixed with molybdenum, steel hardened with titanium, steels that can stand cold weather, steels that will meet competition all over the world; and by keeping ahead in the metallurgical field we can move into foreign markets and retain our position in our own markets.

Also we do believe that there has to be a great deal of co-operation between the federal government and the provinces in working with our resources as a whole, and not 11 different government agencies all going their own way and all losing out in this battle that we are in. Whether it affects the Combines Investigation Act, which allows industries to share market information or to combine on research or to come together on export products; whether it is a question of the scientific work of governments or industry, these are things that must all be tied up under the over-all watchfulness of 11 governments which own these resources, and that is one of the main reasons why we have set up this conservation conference to meet next year.

No, Mr. Chairman; the vision that we talk about as a government does have enthusiasm, but it is no mirage. It does have idealism, but we do the things that are practical and realistic. It is a vision which to us is logical and coherent in so far as development is concerned. It does take in all the facts of life there are in Canada in relation to these resources. Let me put it as simply as I can. Canadians all working together can achieve the things that we have in mind.

I think I should point out that the program I have described is a national development program only in the first stages. The second, third and fourth stages are still to come, but much has to be done before we even reach those stages. I am very glad of the opportunity the committee has given me to meet head on the statements of the members of the opposition on this question of the national development policy of the government. It gives me a chance to put forward very clearly the distinctions between us. I think the debate has been carried on on a very high level; I think it has done a great deal of good to clear the minds of many hon. members and I do trust of the people of the country as a whole.

Mr. Chevrier: May I ask the minister a question now that he has completed his remarks? Is it fair to say that from what the minister said during the course of his statement this afternoon and on Saturday, the government to which he belongs is a government "des visions" and not a government "de vision"?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I am not trained in the dialectics of certain people, and all I can say in answer to the observation of the hon. member for Laurier is that I think the people will measure us by results and not by the words we use.

Mr. Chevrier: May I say it was not a dialect I was using but the other official language of Canada.

Mr. Hamilton (Qu'Appelle): Still dialectic.

Mr. Pearson: I should like to take up at the beginning the last words of the minister,

when he said that the people of Canada will measure his government by its results. We agree with him. I think they will not measure this government by the eloquence of the words used by its members in discussions of this kind.

The minister has repeated this afternoon a good deal of the arguments and the words used last Saturday. He may have been helping, or so he may think, to win the next election, but he did not help very much, I am afraid, to get his estimates through this committee.

The trouble with the minister is that so far as the northern parts of Canada are concerned, he seems to believe it was discovered and explored not by Sir John Franklin, not by Frobisher or by the great men of that time, but by Mr. Alvin Hamilton in June, 1957. He seems to be still dazzled by the vision of that discovery. The results of that dazzlement we have seen this afternoon in the glorification of what he considers to be the record of the government in this field of development. But, Mr. Chairman, facts are more important than words; and the fact remains, and the appropriations show it, that in spite of all his talk and his deprecation of the record of those who preceded him, who according to him did nothing—they were passivists—the amount of money they appropriated in two years to the department over which he now presides for development purposes under the previous administration equals the amount of money that his government has appropriated in three years for that purpose.

That fact is far more important in its bearing on development than all the adjectival exuberance of the minister which we had this afternoon and Saturday. Why, his estimates which we are considering now to carry out his vision, are $10 million less than they were last year. The only respect in which they have been increased is in the administration of the minister's department. There has been an increase there, and we are not complaining about that; he made a very good case for that increase. But I say the minister is asking us to appropriate money for the development of this country, about which he talks so much, to the extent of $10 million less than last year. That is a complete and sufficient answer to all the talk about the glorious record of the minister and his government in the last three years.

The minister talked about the importance of communications and transportation this afternoon as if nothing had been done in that field in the north country in the last 10 or 15 years. He even had the effrontery, and I say that in no opprobrious sense, to bring up the Pine Point railway as an example of what they have done in the field of communication and transportation, as railway which the government said in the speech from the throne in 1958 would be constructed at once and money would be appropriated for that purpose, a railway which his leader said in the election campaign of 1957 would be commenced at once, and which the minister now tells us in July of 1960 is being considered on the basis of the report of a royal commission which made no recommendation as to where the railroad should go.

Mr. Hamilton (Qu'Appelle): I wonder whether the Leader of the Opposition would permit me to ask a question. In view of the protests of the people of Alberta, would he have built the railway without giving them a chance to put forward their viewpoint?

Mr. Pearson: I should like to ask the minister why they said in the election campaigns of 1957 and 1958 that they would do it at once. Why did he not think about this consideration then? Why did the government put in their very first speech from the throne that they would appropriate money for the building of the railroad in 1958? Why did they not think about this other factor at that time? Now he tells us they had to take a lot of time to get the views of the people, and in order to do so they had to set up a royal commission, all of which takes time. Of course it does. But when we point out to him that it took time when we were in office he says that we were passive and did not do anything. Again there is a contrast between the words of the minister and the facts.

Although not strictly relevant to this item, the minister talked this afternoon about roads to resources, development roads. When I was talking the other day I mentioned one particular road which would be a road to a resource and which would assist in the salvation of the community at Elliot Lake. He had never heard of it. The provincial government of Ontario had heard about it, his colleague the Minister of Trade and Commerce had heard about it, but the minister had never heard about it.

Mr. Hamilton (Qu'Appelle): On a question of privilege, Mr. Chairman, what I said was that I knew the road the Leader of the Opposition mentioned had been under discussion by this committee, but I had not been informed—

The Deputy Chairman: Order. I do not see any question of privilege. It is just a disagreement.

Mr. Hamilton (Qu'Appelle): I am very sorry, but I must insist—

The Deputy Chairman: Order.

Mr. Pearson: I accept the minister's remarks even though there is no question of privilege. He says he knew there was such a project but it had not been brought to his attention.

Mr. Hamilton (Qu'Appelle): I must rise again. If the Leader of the Opposition will examine the record, and I did not change it, he will find I said I had not been informed officially by the government of Ontario. I knew the committee had been discussing that road, but I had not been approached officially.

Mr. Pearson: All right; the minister has not been informed officially about this particular road to resources which had been announced officially by the province of Ontario as something that was going to be done and about which they had been in conversation and conference with the federal government. The minister had better consult his colleague and his friends in Toronto. He says he had not been told about it officially, but his government apparently has, because they seem to know something about it.

I mention this matter once again to pour the cold water of reality on the minister's exuberant statements. The other day and again this afternoon the minister seemed to take a great deal of pleasure in deprecating the record of his predecessor, Mr. Lesage, a record which will stand on its own and does not need any apology from us on this side. As found on page 6869 of *Hansard* of last Saturday, the minister was trying to point out that nothing had been done by the previous government. He said that he held the previous administration responsible for not looking after those very valuable resources in the north country. He repeated this afternoon that nothing had been done until 1957 and that we were responsible, especially Mr. Lesage, for the fact that the resources of our north country had not been looked after.

He criticized Mr. Lesage particularly because apparently at one stage he had made a statement in Toronto in which he pointed out and underlined the difficulties of management of our resources in this country except in full co-operation with the provinces, he quite rightly pointed out that the federal government has not control of and cannot plan or manage resources except in co-operation with the provinces, which is a very sound and sensible doctrine, the only doctrine under which we can develop our resources in Canada.

I am going to quote some of the statements the minister made on Saturday, because I cannot be contradicted when I read from *Hansard*. My memory of what the minister said this afternoon might not be accurate in every respect, because the minister proceeded very quickly and eloquently and it was hard to follow his words; but in talking about the development of the north he did say on Saturday, as found on page 6869 of *Hansard*:

> The real task was to make certain that the oil, gas and mineral wealth of our northern areas, particularly those in the Arctic islands, would be preserved for Canadians—
>
> "Would be preserved".
>
> —now and in the future.

He also had this to say about the oil, gas and mining regulations which have been put into effect in recent months, which show how this wealth is going to be preserved for Canadians now and in the future. He was referring to the regulations, the exploration permits which were given and the methods that were adopted to attract foreign capital, which he thinks can be so damaging to us, and as found on page 6870 he said:

> In other words, we gave a cheap land proposition to the oil industry of the world—

Presumably that is how the minister is going to preserve—that was the word he used—for Canadians the resources of the north by giving a cheap land proposition to the oil industry of the world. He also made this statement, as found on page 6869, as another illustration of the virtuous endeavours of the government in this field of development of resources:

> Naturally when we began to work out these new regulations we began to think in terms of how we can stop, how we can prevent what has happened in Alberta...

In other words—perhaps the minister will explain this—what they were thinking about, among other things, was how they could prevent federally what has happened in Alberta in this industry. On the subject of preserving for Canada control of its resources, there is no difference of opinion between members of the house as to the desirability of ensuring maximum Canadian participation and maximum Canadian control in the development, management and ownership of these resources. We are all agreed on that, but some of us know more than the minister seems to know about the difficulties of reconciling the necessity of foreign investment and the primary necessity of Canadian control of our own resources.

As found on page 6871 of *Hansard* the minister talked about the yoke—that was the word he used—of foreign capital, the yoke of foreign investment, and the great progress that had been made in Canada under the present government in freeing Canada from that yoke of foreign investment. There has been a great deal of progress, I admit, in talking about that freedom and that yoke, but what do the figures show as to the progress that has been made in freeing

Canada from what the minister called the yoke of foreign investment? Referring to the dominion bureau of statistics "Balance of International Payments 1959", page 14, and the "Canadian Balance of International Payments, 1958", table 8. I am only going to quote one excerpt from these publications. They bear reading in relation to the boast the minister has made about the progress this government has made in freeing us from this yoke. These figures are from official publications; on the balance of international payments, from the part entitled "Non-resident ownership and control of Canadian industry".

The last detailed analysis of foreign ownership was issued in December of last year and covers the year 1957. The balance of payments officials have, however, made estimates of the total non-resident owned long term investment in Canada for the years 1958 and 1959. This series contains an estimate of retained earnings in Canada plus long term investment. It thus is a valid measure of the growth of foreign ownership in Canada.

Here are the figures: 1956, total non-resident investment in Canada amounted to $15.6 billion; 1957, $17.5 billion; 1958, $19.1 billion; 1959, $20.6 billion. The only conclusion that can be drawn from these figures is that total non-resident ownership has increased by one third since 1956. This is how we have been freed from the yoke of foreign investment. While the minister talked about the "yoke" his leader, the Prime Minister, referred to foreign investment in somewhat different terms. I quote from his statement which appears on page 6873 of *Hansard* for July 23, 1960:

> Foreign investment is beneficial. Foreign investment has done much to improve the economical situation in Canada.

Then he went on to emphasize that external capital had played a very important part in our development. This is just another example, Mr. Chairman, of that schizophrenia that seems to afflict the members of the cabinet. The minister in his statement this afternoon repeated what the Prime Minister said; that the yoke, in so far as foreign investment in the United States was concerned, was never at any time more than 15 per cent of the national income. That was the figure the minister used, while the Prime Minister said that in Canada the corresponding proportion as late as 1957 was almost 75 per cent. Perhaps the minister will try to confirm this figure, that as late as 1957 the corresponding figure for foreign investment in Canada was 75 per cent of our national income. Obviously the Prime Minister was not very careful about his statistics on this matter.

Then the Prime Minister went on to say, and the minister confirmed it this afternoon, that this situation is improving. I have given the figures to show how the situation is improving. The total non-resident ownership has increased by one third since 1956. If the situation has improved however, in the sense that in the last 18 months less foreign capital has come into this country for development purposes, we know the reason for that. Perhaps the minister will get a lot of comfort out of the fact that there has been a decrease in foreign investment capital coming into this country lately. Perhaps he will be very pleased that this may be interpreted as freeing us from the yoke of foreign control. There is another reason to explain that decrease in foreign investment in the last 18 months, and that reason was given by the deputy chairman of the dollar-sterling trade council, writing in the *Financial Post* of May 21, 1960. I shall quote two paragraphs from this article by A. G. S. Griffin, deputy chairman of the dollar-sterling trade council. He said:

> The past 18 months have seen an important change in the attitude of U.K. and foreign investors toward Canada.
>
> Visitors to London and other European financial capitals can no longer bask in a glow of satisfaction from plaudit heaped upon plaudit over the way we run our country, treat our foreign capital and develop our resources.
>
> There is a good deal of grumbling and some positive indignation—as if the overseas investor had been the victim of some vast conspiracy.

Then, Mr. Chairman, on Saturday the Prime Minister had something to say about his vision of the north. Perhaps I had better read what he said:

> Mr. Chairman, a word on these vast potential resources. Somebody spoke of a mirage. Until the vision of the north turns out to be a mirage let me say that the millions and millions of acres which have been taken up in the north, the developments which have taken place there, the opening up of the country and the rendering available to private enterprise of an opportunity and a climate for development has meant much to Canada during the past three years.

I will ask the minister now to give us the figures in regard to this development in terms of oil and gas exploration permits, and also to give us the figures or give us the information regarding the nationality of the companies and corporations that are responsible for taking up these permits, whether they are United States corporations, whether they are Canadian subsidiaries of United States corporations, whether they are other foreign corporations or whether they are bona fide Canadian individuals and Canadian corporations.

The Prime Minister went on to say:

> I remember speaking in 1957 and in 1958 about the highways in the north and the opening of the north igloo to igloo. That was the viewpoint of the opposition.

I will repeat what I said the other day, Mr. Chairman; that the program put forward by the Prime Minister and his colleagues during that election period was not a program of development, it was a program of electoral intoxication. When they talked about this great program of development, this great billion dollar public works program, this great program of communications and transportation which was going to solve the unemployment problem or play a large part in solving the unemployment problem, we on this side said that was a phony program in terms of employment. It has turned out to be just that.

The minister did not reply to me on Saturday when I asked him how much employment had been provided by road development in the north since he gave the last figures, which was something over 2,000 men for the previous year.

Mr. Fisher: May I ask the Leader of the Opposition what he means by "north"? I want him to be specific.

Mr. Pearson: I mean by "north" the areas under federal control, and those areas where the government has initiated a roads to resources program with the provinces; that is the kind of roadbuilding and communications program which was put forward by the government to cope with our unemployment problem.

Then the minister had this to say, as reported on page 6869 of *Hansard* for July 23, 1960. He talked about this great Canadian proposal which has won for Canada the control of the continental shelf. I will read what he had to say about it.

> We have brought those regulations in, using the Public Lands Grants Act and the Territorial Lands Act, and for the first time in Canada's history we have the legal machinery to give to Canadians or to anybody else the right to explore in our Arctic islands or in those islands off the coast. I hold the previous administration responsible through the error of omission for not looking after those very valuable resources north of our country.

Well, I have dealt with that. Then he went on to say that as the result of a Canadian resolution—no, I had better quote what he said about it:

> It is no accident that the Canadian resolution on the law of the sea conference in Geneva suggested that all the lands that lie beneath the sea, the continental shelf, as far out as you can develop them, should belong to the littoral state for exploration purposes.

Well, I should like to have the minister tell this committee when that specific Canadian proposal was put before the international law conference at Geneva which established the jurisdiction of the littoral state over the continental shelf. If I am not wrong—and the minister can correct me if I am wrong—the proposal appeared in the original report of the United Nations commission which was preparing for this conference. The minister now points out that it was the Canadian proposal that secured for Canada the continental shelf. What happened was that this was discussed at the conference at Geneva. There was general agreement on it, and as a result of that agreement all countries now have accepted and recognized control over the resources of the continental shelf. But when we asked the minister, as reported at page 6873 of *Hansard* of last Saturday, what was the relationship of this doctrine to provincial control—and this is an important matter, who actually controlled the continental shelf off provincial coasts as contrasted with the continental shelf off federal territories—who actually controlled the resources of that part of the shelf, the provincial government or the federal government, the minister said:

> This is a matter of government policy and will be declared in due course.

My friend the hon. member for Ottawa East asked this question:

> Has the minister had any requests from the provinces for the transfer of rights on the continental shelf?

The minister's reply was no, but the fact is this, as the minister must know. Indeed, in an earlier question—

Mr. Hamilton (Qu'Appelle): I wonder whether the Leader of the Opposition would help me. I just want to understand clearly what he said. He stated that I said that the matter of the continental shelf ownership was a matter of government policy. Can he point out to me where I said that?

Mr. Pearson: I have said two things. The minister now claims that this great development in international law by which the state has control of the continental shelf was the result of a Canadian proposal at Geneva, and I asked for information about that matter. I have also said that the minister said that the question as to whether the crown in the right of the provinces or the crown in the right of the federal government controlled the resources on the continental shelf off provincial coasts is a matter of government policy which will be announced in due course.

Mr. Hamilton (Qu'Appelle): From where does that quotation come? I never made that statement.

Mr. Pearson: If the minister will just read his own words in *Hansard* of last Saturday as reported at page 6873, and that is not very far back, he will find that in answer to a

question asked by my friend the hon. member for Villeneuve, to be found down toward the end of the page, he replied as follows:

This is a matter of government policy and will be declared in due course.

He also said earlier, according to press reports, when he was questioned about the matter of ownership of the continental shelf by the federal or provincial authority, "So far we have not stirred anybody up on this". But this is a matter which has already been stirred up in the provinces. At the Atlantic provinces conference last September, held in Fredericton, the premier of Nova Scotia at that time—that was last September—called for a decision on the ownership of submarine mineral rights. I am now quoting from press accounts of the meeting:

Premier Stanfield also called for a decision on the ownership of submarine mineral rights. He said the constitutional question of whether they belonged to the province or to the government of Canada should be settled.

Indeed it should be settled, because it is one of the most important questions that can face the federation at the present time; that is to say, who owns those rights on the continental shelf. The minister says, however, it is a matter of policy and "we are not stirring anybody up about this".

There are many other things I could say and there are many other questions that we shall be asking because of what the minister has already said. But I think I have put on the record sufficient to indicate the situation. In spite of the eloquence of the minister and in spite of the exuberance of words that came from him this afternoon and on Saturday, the record itself will determine, as the minister says, the result that will be achieved. And when he talks about the passive record of the Liberal government in the past I ask him to look at the record from 1900 to 1910, from 1920 to 1931 and from 1945 to 1957. If he thinks that Canada developed in those great years of development through passive governments he had better read a little bit more of his history than he has been reading lately. In conclusion I remind the minister once again that no matter what he may say, history in this country did not begin in June of 1957.

Mr. Fisher: As the third history teacher speaking in this debate, I should like to get into it and say that I should like to make some historical comments also. I was flabbergasted last Saturday when, in the quiet of this committee, with perhaps 30 or 35 members present, who should rise and take part in the debate but the Prime Minister. Here on the eve of a dominion-provincial conference he found the time to come in and give us his reinterpretation of the vision. This procedure seemed to me to underline the importance that he and the minister must attach to the vision for some purposes which I hope to analyse.

I thought at first that this was a bit of an insult to the minister. It is a rare occasion when a prime minister comes in and defends in essence the general position of a department in the government frame of policy when the minister is before the house. But I do not see the matter in quite that way now. I see it more in terms of an abnormal sensitivity on the part of the Prime Minister and the government with regard to the most blatant or, one could put it, the most flagrant of their political promises and their inability to live up to it.

I should like to ask the minister whether he has ever stopped to wonder why it was that in northern Ontario, from the Manitoba border all the way down to south of Sudbury, the Conservative party in this last election, which he said gave them carte blanche, or words to that effect, or at least a criticism of the Liberal party's position toward the north—did so badly in that part of the country. I should like to tell him one of the reasons is that the people of northern and northwestern Ontario live in an area where we have, to use this phrase that is so overused, vast, boundless natural resources, loads of them. They are much closer to markets and to people in this country than are the resources of the north.

I cannot think of a bigger laugh than that which was caused in our particular region during that election campaign when the minister, I think, or perhaps it was the Prime Minister, came up with the story of how they were going to build a road from somewhere up near Hudson bay down toward lake Superior. It was almost as ridiculous as this suggestion that they are negotiating with the Ontario government to build a road north somewhere between Nakina and the Manitoba boundary, over 400 miles of space.

The people of northwestern and northern Ontario were sceptical of this suggestion on practical grounds. They know that within their region they have copper prospects, zinc prospects, iron ore prospects, gold prospects and all sorts of forest resources that are still not being used. They know they still have certain water power resources. They know they have natural gas moving through there in a pipe line so that it can be used for various developments. They also know that their resources which are being exploited at the present time in the main are being exploited by United States capital and United States corporations.

Hence they are sceptical of the northern vision on two counts. Why not a bit of concentration upon an area that is closer to markets and closer to where there is a labour force that is in trouble? Second, the taint that this particular government in electioneering put upon United States capital does not make much sense to people in an area which for most of its industry depends upon United States capital. This phase of the Prime Minister's electoral activity of trying to batten upon the almost natural instinct of the people to distrust United States efforts it seems to me has gone far enough. It seems to me that the Prime Minister himself has spoiled it by his inability really to do anything about it.

I note that in his speech on Saturday he mentioned going down to the city of Detroit and laying some things on the line. I can remember that Right Hon. C. D. Howe went down to Chicago, to Milwaukee and to Washington, and that he laid some things on the line; but it did not seem to do very much good. It did just about as much good as what the Prime Minister has done. I would suggest to the minister that he throw away this word "vision". Let us have a fairly cool policy of northern development and stop all the extravagant claims about what Canada is going to get out of the north.

In his remarks just after lunch the minister indicated that while this government would never interfere with provincial jurisdiction, these new mining regulations would be a bellwether to the provinces, that the people of the provinces would demand legislation just like it. I know that school teachers—the minister was one and so was I—tend to be naive, but I refuse to believe the minister is that naive and that he really thinks these regulations will be a bellwether to the provinces and will lead the people in the provinces to demand from their governments the kind of redress which one can find, say, in the iron ore contracts in Newfoundland and Labrador.

I do not know why Duplessis and Smallwood sold out to these companies in the way they did for so little by way of fee; but to suggest that we will get any kind of redress through a few regulations is beyond me, and I cannot understand how the suggestion can be made. If the minister is going to say at his conservation conferences that this government would project a policy on the development of Canadian resources in the provinces or in the Canadian north in the highest possible finished state, then I can see that he would be making a contribution; otherwise this is just a continuation of the sham stuff we had in the last election, and which I repeat northwestern Ontario did not buy; and they sure are not going to buy it next time either.

The Prime Minister in his remarks touched on what this country had done to really put Americans in their place; at least I interpreted it in that way. He said something about insurance companies and he said something about oil. Oil certainly is not a minor factor, and I suppose insurance companies are not. But if you are going to do something about United States investment, and this government feels that something should be done, why does it not begin with iron ore? Across the country from contacts I have had with ordinary people I hear time and again, why can we not process iron ore in this country?

The minister has economists who turn out reports. There have been several in the last year right on this very question. What do the reports say? That the economics of the situation are such that we cannot look forward to any great expansion in the treatment of iron ores in Canada other than perhaps in a minor way so far as beneficiation is concerned. The most recent report on the direct reduction process indicated that there might be an economic feasibility of having such a development at Port Arthur and Seven Islands. However, in the main the great bulk of our ore will continue to go down in a raw or semi-raw state to United States smelters.

If this government feels so strongly and wants to give leadership to this blatant anti-American feeling that there is in Canada, how about doing something about the iron ore situation? The sound and fury we have heard in connection with what the government is going to do in the north is to me about the worst kind of nonsense that this government has come up with.

I suggest to the minister that in population terms the north is really not growing, except in civil servants who are being sent up there. I would ask, in investment terms what is being turned out in the north? Is it possible that in the north, in the sense of the northwest, are we really going to get any forestry production which will enter the markets of the world or even the markets of southern Canada? How many tons of iron ore are being shipped from the domains which are under the minister? How many barrels of oil are being shipped? How much is being shipped in the way of base metals? I think that is about the only area where the minister will find he has any production, and it is not very large.

Mr. Chairman, one could spend much more time than I have and the Leader of the Opposition has spent on this question of the

vision. I want to make the point that in my remarks I am not supporting the great defence he has made with regard to activity in the past. It seems to me that this government has the intention of doing better than the Liberal government did in pushing the greater use and manufacture of Canadian resources in Canada, but I certainly cannot see that they have attained any success in this field. All they have done is make a great deal of propaganda, and make the very word "vision" in political terms a joke across the country.

Now I would like to turn to something a little more specific, and that is the statement which was apparently made by the hon. member for Yukon either on June 1 or May 31. I cannot find any record of it in the House of Commons debates, but he is on record as having said, according to a *Globe and Mail* story by reporter Walter Gray:

> A bureaucratic regime is operating in the office of the commissioner of the Yukon territory, the territorial member of parliament charged here today.
>
> Eric Nielsen (PC, Yukon), added quickly that he was not criticizing the incumbent commissioner, F. H. Collins, but the office itself. He blamed the five-man territorial council for failing to assume more executive responsibility in an effort to correct the situation which has built up over the years.
>
> The young member noted that of 112 ordinances consolidated by territorial council in 1958, 71 gave extraordinary powers to the commissioner who is able to issue regulations without reference to council.
>
> "These powers have not been abused so far, but the ease with which they could be abused is frightening", said Mr. Nielsen in an interview.

He went on to give a more detailed criticism, and then said:

> "The council should be encouraged to take on more executive responsibility," he said. "There must be a feeling in the commissioner to relieve himself of administrative powers to assist in the democratic development of the Yukon. I'm afraid there is a reluctance on the part of the administration to divest itself of these powers."

Mr. Chairman, we cannot get into the private circles of the government in power, but we would not have expected that the hon. member for Yukon would have had such difficulty. I understood that he had practically a free run of the bureaux at the department of northern affairs, and that he spent more time there than he did anywhere else; yet after almost three sessions at the job, what could he come up with except criticism of this northern administration?

Mr. Chairman, I think we deserve a satisfactory answer, not from the hon. member for Yukon but from the minister. How can he explain that a member of his own party, to whom he has given a great deal of credit for his interest, can come out into the open with criticism like this and not expect us to want an answer?

It would be foolish for us to assume that we know anything about the northern administration in relation to what the hon. member on the scene must know. I would say the hon. member for Yukon, according to this account in the *Globe and Mail*, has been exceptionally critical. I wonder why he has not been put into the same category as the hon. member for Restigouche-Madawaska, because this is real criticism. When you consider that he has had three sessions to go to work on this to get some kind of redress, is this an indication that the minister has no control over his own civil servants?

Mr. Hamilton (Qu'Appelle): Would the hon. member permit a question? I think in the interests of saving the time of the committee the hon. member for Port Arthur should realize this.

The hon. member for Port Arthur should realize that the hon. member for the Yukon is also a citizen of that territory. His criticism was of the territorial government. That has nothing to do with my jurisdiction at all. I do not interfere in any way with the territorial government which is an elected government. If the hon. member has any criticisms they should be directed to the people in the territories. Those criticisms of the hon. member for the Yukon were directed against the local government in that area and not against my civil servants at all.

Mr. Fisher: As I understand it, the minister has something to do with the incumbent commissioners.

Mr. Hamilton (Qu'Appelle): My job is to appoint them. I have nothing whatever to do with the decisions of the territorial council either in the Northwest Territories or the Yukon.

Mr. Fisher: What role does the northern administration play in the Yukon territories? Does this not come up under the northern administration branch?

Mr. Hamilton (Qu'Appelle): The explanation, Mr. Chairman, is that we look after resources in the territories and also some aspects of Eskimo welfare and education and Indian welfare and education.

Mr. Fisher: In this article I notice that Mr. Gray states that the commissioner, with a salary this year of $10,500, is appointed at the pleasure of the governor in council. When we are talking about other government appointees of the governor in council I always thought this meant that the governor in

council had some kind of control over the appointees. Is the minister suggesting that Mr. Collins operates in limbo without any departmental or cabinet control?

Mr. Hamilton (Qu'Appelle): That is precisely what I am saying, Mr. Chairman, that the federal government appoints the commissioner but exercises no control whatever over matters under territorial jurisdiction. The practice has been growing up of permitting an increasing autonomy in the area. I am trying to encourage that in every way. I would not think of interfering in a matter between the territorial government and one of its citizens.

Mr. Fisher: To what audience does the hon. member for the Yukon address himself? Did the minister tell the hon. member that this was something in which he did not take an interest because he feels the federal government should not interfere in any way with the council there?

Mr. Hamilton (Qu'Appelle): This is not under my jurisdiction but I understand the hon. member spoke to the board of trade in Whitehorse on their invitation purely as a citizen of the Yukon. It does not come under my responsibility. In fact, I would fight very hard to protect the rights of the territorial government to look after its own business.

Mr. Fisher: The article, quoting the hon. member for the Yukon, states:

> Mr. Neilsen maintained that, until the Yukon is raised to provincial status, provision should be made under the ordinances for council ratification, instead of allowing the commissioner undisputed power.

Was he talking to the local people or did he have in mind the deputy minister of northern affairs who has something to do with the board that produces these ordinances. The hon. gentleman is quoted as going on to say that the council should take on more executive responsibility. Is he talking to the council or to the government?

Mr. Hamilton (Qu'Appelle): I think the language is very clear. The hon. member was apparently speaking to the council and not to me. I direct the commissioner in so far as the matters of resources and the education and welfare of Eskimos and Indians are concerned but the territorial council directs the commissioner in relation to territorial matters. Apparently the hon. member disagrees with the way the council is making full use of its powers. That is the understanding I have of the speech the hon. gentleman made.

Mr. Fisher: I will quote another paragraph:

> Mr. Nielsen saw some progress in the correction of the bureaucratic condition in the government's move to establish a three-man advisory committee to consult with the commissioner on the expenditure of territorial revenues.

What could be more explicit? Is this one of the hon. member's recommendations? Did the minister have anything to do with the setting up of this committee?

Mr. Hamilton (Qu'Appelle): If the hon. member had been in the house this session he would have known we passed amendments to the Yukon act setting up this advisory committee.

Mr. Fisher: In other words did the government make this move as a result of representations made by the hon. member for the Yukon?

Mr. Hamilton (Qu'Appelle): I have to be fair. All throughout this matter the hon. member for the Yukon has shown a keen interest. There were discussions last year between the hon. gentleman and myself about strengthening the council. Also the council met last year in formal session and passed a resolution—not an ordinance—suggesting that this change be made. I asked the House of Commons to make that change and it did.

Mr. Fisher: I am still bothered by this question of the man appointed being outside the orbit of departmental control.

Mr. Webb: Mr. Chairman, I rise on a point of order. Since this discussion commenced the hon. member for Port Arthur has been making reference to the hon. member for the Yukon with whom I have the honour to share an office. The hon. member for Port Arthur suggested that the hon. member for the Yukon spends most of his time over at the Department of Northern Affairs and National Resources. I would say to the hon. gentleman that if he worked half as hard as does the hon. member for the Yukon he would be considerably better informed and would not engage in nonsensical allegations.

The Chairman: Order. The remarks of the hon. member are argumentative. If the hon. gentleman wishes to rise after the hon. member for Port Arthur has concluded he may do so, but he is not allowed to interrupt the hon. member for that purpose.

Mr. Fisher: The hon. member has made a wrong interpretation of my remarks. I did not intend to reflect on the work done by the hon. member for the Yukon. I admire him very much for getting up and saying this kind of thing. What I meant by his being over at the department was this. I served on the committee with him last year. It was obvious that he knew everyone there. The hon. gentleman told me he spent a great deal of time

with the department and I have heard others say he does. If there are matters affecting him he should spend as much time as possible pressuring civil servants. I am merely trying to find out if he has been making any headway. My remarks were not intended to be derogatory or insulting to the hon. member for the Yukon.

Perhaps the minister could explain in greater detail how he reconciles the fact that he and the Prime Minister speak of the north as a great area where the federal government is showing leadership and yet the representative from the area makes a criticism which seems to indicate that the great vision is blurred in at least one of the most important fundamental areas involving the democratic control of the affairs of the area by the citizens who live there under this bureaucratic regime.

The minister has often talked about the road to resources program. I raised this matter with him last week in connection with the access to roads where the government makes a contribution. The hon. gentleman gave me the flat assurance which I accepted that wherever the federal government makes a contribution to the roads to resources program and no matter what contribution the company may make the road is open and free of access to everyone.

Perhaps the minister is aware that we have an example in our constituency. The road runs for some 60 miles. The two governments and the company made a contribution. Sixty miles of the road is open but in the middle of the wilderness the road comes to a gate on the edge of the company's property. There is a further stretch of six miles of road that leads to where activities are actually going on. There is public access to the first 60 miles but no one can get through the gates to travel the last six miles unless the company wants them to. I hope the minister will give an assurance that in future agreements that may be made under this section of the act care will be taken to see that this kind of situation is not repeated.

I can underline this by pointing out that this United States corporation has set up what we call a company union and is involved in certification proceedings at this very moment. It uses that gate to keep union organizers out. I do not know whether they are also using it to keep out salesmen or other entrepreneurs who want to get in; but in effect this government has supported, through funds, a 60-mile road that leads to nowhere in so far as the public is concerned. I have to assume that a vacuum cleaner salesman or a union organizer has just as much right to go to the end of a road that the government helps pay for as anyone else, and yet this road ends at a gate in the bush. No one can go past it. I should like an assurance from the minister that in future in connection with roads to resources we shall not have roads which in effect end nowhere. If these roads lead to resources development, then the public should have access to that development. I do not see why the minister cannot make that part of the agreements in the future. Take as an example Anaconda. The minister has a good argument with the provincial government and any firm which may be involved in a matter of this kind. I should very much like to have his comments on this particular story.

Mr. Hamilton (Qu'Appelle): In regard to the road to the Anaconda property, I informed the committee on Saturday that in so far as any road in which we share the costs with a province and a company is concerned, there certainly is public access. It poses a very difficult problem for me. If any company builds up to that access road a private road of its own and pays 100 per cent of the cost of it, do I have to insist that a road connecting on to our road shall have public access? I do not think I can give that assurance, frankly, because first of all it does not lie within the jurisdiction of the federal government to insist on what shall be done in a province. Second, I think it would be an interference with the rights of private ownership. If I am a private owner in that area and I build a road up to a road built by the federal government and the province in co-operation, have I not a right to maintain my private property? I think we would be interfering with the rights of private property. I am putting the argument forward. I realize what the hon. member has in mind, but I do not think I can go beyond saying that the roads that we have already built are free access roads. That is as far as I can go.

Mr. Fisher: The minister may be aware of the mining laws and claims in that area. The Anaconda interest can stretch for some 20 or 30 miles, and other properties go even farther. We can see where we have a virtual private empire of a United States corporation up in northern Ontario. The government of Ontario has committed itself to putting the road in there, and yet the company can determine everything that takes place in that big empire. I will admit that there may be some limits on what this government may be able to argue other than the lever it has through its contribution.

Surely the provincial government which issues the licences for these huge territories that come under the sway of such men should

be prepared to listen to suggestions from the minister. I cannot help but feel that the minister and the department are letting themselves into an almost indefensible position from the public point of view. If the minister wants to look at the general unpopularity that the pulp and paper companies have managed to maintain by keeping their roads closed on much greater justification than this, I think he will see what I mean. There is a potential here for one of the sharpest issues that have ever come up in our part of the country.

I just suggest to the minister that in writing any new agreements he does more to see that such a thing does not happen again. If Anaconda actually had an open pit or a shaft, or something like that, going on in there I could certainly see every reason why they should have the right to protect that property from access by outsiders, but when you are going to have what is in effect a town developing in there a townsite, and you are able to put up a gate and keep everybody out of that area because you control the gate at the end of the road toward which the government contributed I think it is going too far. I think a narrower distinction may be made. I suggest to the minister he should try to make it.

Mr. Hamilton (Qu'Appelle): I should like to give the hon. member for Port Arthur the assurance that I shall certainly keep that in mind. I should like to say that we impress on any government that makes this arrangement with us that as far as we are concerned these are public access roads and we are not a party to practices such as have been described here. But legally I do not think I have the power to change any agreement already made. I will certainly give the assurance that in the future I shall make it very plain that these are public roads. I have already done so but I will do so again.

Mr. Chevrier: Mr. Chairman, I am tempted to rise at this point and take issue with some of the things that were said by the minister on Saturday and again this afternoon as well as with what was said by the Prime Minister on Saturday prior to the opening of the dominion-provincial conference. I am surprised that in his remarks the minister would have been so pronounced in the general statement that when he took office little or nothing had been done by the previous administration and that everything that has been done, has been accomplished since he and those associated with him have been in office.

I should like to remind the minister—I cannot remember the date now but certainly it would be around 1950—that when I occupied a position on the other side of the house similar to his I made a trip over the northwest passage and to airports that had been built by the previous government and not by this government. He had a great deal to say about airstrips that had been built and roads and a future railway. The trip that was made by my officers and myself, was by way of Edmonton to Fort Smith.

Mr. Valade: Get to the point.

Mr. Chevrier: I am getting to the point, and the point I am getting to is that before this government came into office in 1957 a great deal more had been accomplished by the previous administration than the minister would like us to believe. One of the first things that was done was the establishment of the department over which the minister presides now. This department was established by the previous administration. It was taken out of the department of resources and development and made a department by itself, namely the Department of Northern Affairs and National Resources at the head of which at one time, if not at the beginning, was the present premier of the province of Quebec. I deprecate the statement which the present minister made on Saturday, on the very eve of a dominion-provincial conference, when an attempt is being made to bring the 11 governments together on fiscal matters affecting the future of our country, and that the minister should attack, 48 hours before that meeting, a former minister of the Department of Northern Affairs and National Resources, the present premier of Quebec. I do not think that attempt will help in any way the progress of dominion-provincial relations.

When I was interrupted I was about to say that airstrips were built by the former government at Dawson, Whitehorse, Hay River, Yellowknife and Fort Smith, all along the northwest route. The Canol project was also built during the time of the previous administration. One would think that in the north country absolutely nothing was done prior to 1957. What about the Kitimat-Terrace railway? What about the extension to the P.G.E. railway, for which the same subsidy to which the minister referred, namely $25,000 per mile, was paid by the previous administration? I could go on and speak of roads running from Edmonton in the direction of Dawson Creek. I have to rely on my memory now as I have no documents before me, but if I had them I am sure I could convince the house that a great deal more had been done in the field to which my hon. friend referred earlier.

There is one other matter for which the present administration seems to be taking credit, the processing of material in this

country. The processing of material in this country started long before the minister was in office and long before his government took office. When the Prime Minister was campaigning in 1957 he took from *Hansard* and out of context a statement I had made concerning the St. Lawrence seaway to the effect that the St. Lawrence seaway was being built to take iron ore to the United States. No mention was made, however, of the fact that the St. Lawrence seaway was going to create secondary industry and was going to bring primary industry along the shores of the St. Lawrence. If that statement had not been taken out of context it would have been clear that those of us who sat on the other side of the house prior to this administration coming into office were as keenly interested as they are and as every true Canadian is in the processing of Canadian materials in this country.

I am sure that is the objective of all of us who sit in the house, and when it is necessary to export to the United States very often it is because there is not a sufficient market in our own country. The proof of the effect of the development of the St. Lawrence seaway on a number of areas lies in the fact that today natural resources are being processed in various parts of our country.

The Leader of the Opposition dealt at some length with statements made on Saturday by the Prime Minister and also by the Minister of Northern Affairs and National Resources. I shall not add to that other than to refer to the billion dollar program of public works which was put forward in one election campaign and which unquestionably contained the essence of tremendous development by way of employment in the north. As the house knows, little or nothing has been heard about it since.

Finally, I should like to refer to the development in this country both during the war period and the post-war period under the aegis of the Right Hon. C. D. Howe. I do not think history will indicate that at any time has there been a greater development of industry and natural resources than at the time the Right Hon. C. D. Howe was first minister of munitions and supply and later minister of reconstruction and development. There are many people in the country today who would like to see him back in office again and directing the economy of our country.

Some hon. Members: Oh, oh.

Mr. Chevrier: My hon. friends laugh—

Mr. Grafftey: The pipe line debate.

Mr. Chevrier: —but they have no one on the other side of the house who compares with him, with his genius, his ability—

Mr. Grafftey: And his respect for parliament.

Mr. Chevrier: —in the development of industry.

An hon. Member: Who wants another C. D. Howe?

Mr. Grafftey: And his respect for parliament.

Mr. Chevrier: Yes, the Right Hon. C. D. Howe not only had the respect of members of parliament—

Mr. Grafftey: I said respect for parliament.

Mr. Chevrier: —but had the respect of all Canadians and still has, I believe, the respect of all Canadians today.

Mr. Grafftey: I said respect for parliament.

Mr. Chevrier: Those who interrupt me now are envious because they do not have within their ranks anyone able to direct the industrial economy of our country as Mr. Howe was able to.

Mr. MacInnis: On a question of privilege, Mr. Chairman, the hon. member has just taken it upon himself to say that he can speak for all Canadians. Here is one Canadian whose respect Mr. Howe did not have.

Mr. Chevrier: Mr. Chairman, the hon. member rose on a question of privilege. First, there was no question of privilege.

Mr. MacInnis: Certainly there was.

Mr. Chevrier: Second, the hon. gentleman rose, as he does on many occasions, to say absolutely nothing, to lose his temper and to try to divert someone who is dealing with the matter that has been under discussion this afternoon but he has not succeeded nor will he succeed in diverting me from the point I was about to make.

Mr. Grafftey: What was it?

Mr. Chevrier: That point had to do with the matter of processing our natural resources in Canada and the minister dealt with this matter as though it were something that had been discovered by those on the other side of the house. Neither was it discovered by the other side of the house nor will the other side of the house be able to claim credit for the development of our natural resources and our industry.

Mr. Grafftey: Or for closure.

Mr. Chevrier: I say to my friend on my left, the young man with the short crop from Brome-Missisquoi, who loves to interrupt, and I do not say that to him in any unfriendly way—

Some hon. Members: Order.

Mr. Fortin: Let us get back to the point.

Mr. Chevrier: If you would allow me to speak to the point without interruption I would soon finish.

Mr. Fortin: We have been waiting for 20 minutes for you to get back to the point.

Mr. Chevrier: I have been interrupted repeatedly by the hon. member for Montmagny-L'Islet and his interruptions have not been too enlightening. Like many other hon. members on his side, he usually speaks from his seat rather than from his mind. If he would speak from his mind more often and get up and deal with matters affecting his own province perhaps it would be much better for his constituents than for him to seek to interrupt us in the manner he does from time to time.

I was dealing with the development of our country under Mr. Howe. I should like to conclude my remarks by asking the minister a question, as did the Leader of the Opposition in concluding his remarks, although the minister did not reply. After the speech the minister made this afternoon and also last Saturday, is it logical for us to conclude that the administration over which he and those associated with him preside is in fact a government "des visions" rather than a government "de vision"?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, it is a considerable delight to me to hear the debate on my estimates going forward. I made the remark earlier that so far the debate had been conducted on a very high level. At the present time, I am not so sure about that. As for the use of the word "vision", I am not sure of the words.

Mr. Chevrier: I said "des visions" as opposed to "de vision".

Mr. Hamilton (Qu'Appelle): I have a little difficulty in translating from the French into English. I said to the hon. member at the time that I was not skilled in dialectics. I am not now any more skilled in dialectics. In any event we have heard from the opposition as to what they have done; that Mr. Howe is the greatest man who ever sat in the House of Commons; that they built airfields at Fort Smith and Edmonton. Yes, they did, and I am not going to enter into a debate on that at all. I am trying to make the point objectively that this government did try to meet a situation which was concerning the people of Canada in relation to the ownership of resources. We have taken certain steps and will take other steps to try to push this program forward in order that over the years we can buy back the ownership in our resources, and maintain them especially in our oil and gas resources of the north.

There were many figures quoted to indicate the extent of investment of non-residents in our country in the last two years. This is the same point that I have been trying to make, that this great investment in our resources is alarming Canadians. This government is trying to do something about it. I do hope all Canadians will rally behind us in our efforts. I do not believe there are many who would support the hon. member for Port Arthur when he says that we want more investment from the United States. I do not believe he speaks for his party, either. I think the figures are fairly well known. I did not understand the Leader of the Opposition to ask what the percentages were in the northern areas, but I can repeat those figures. In the Arctic islands, 78 per cent are Canadian held and 22 per cent are non-Canadian. This illustrates the fact that we are reversing the percentage that existed in Alberta.

I have made the statement in the house that I did not blame anyone in particular for what happened in Alberta. I am simply saying we do not want it to continue. We welcome foreign investment. However, we want these investors to set up subsidiary companies in which Canadians have an opportunity to participate, and we know there will always be the opportunity for us, as we grow in wealth and accumulated capital, to own these resources. I believe that point has been well covered.

Another point was raised concerning who made the proposal over in the Geneva conference in 1958. Was it something dredged up by the delegates or was it a Canadian proposal, as I said? The best answer to that is the report of the fourth committee on the continental shelf dated April 16, 1958. This is how the secretary of that particular committee describes the events of that day. The delegate from Colombia had spoken, and then we find this:

> Mr. Carty (Canada) formally proposed that the committee should recommend to the conference that the results of its work be embodied in a separate convention relating only to the continental shelf. The purpose of the proposal was to direct attention to the general committee's recommendations contained in paragraph 5 of its report. The fourth committee had made good progress; it should accept its responsibility and formulate, in the form of a convention, the articles which it had adopted. He agreed that the topics discussed at the conference were interrelated and that it would be desirable to decide on the form of instrument for articles 67-73 in the light of the results achieved by other committees.

Then, going on after discussion by the other delegates from the United Kingdom, Yugoslavia, Switzerland, Mexico, Argentina, Chile,

Venezuela, Ceylon, Brazil, the Union of Soviet Socialist Republics, India, Israel, the Union of South Africa—just listen to this, Mr. Chairman:

> The chairman put to the vote the Canadian proposal, as amended orally by the U.S.S.R. representative.
>
> The Canadian proposal, as amended, was adopted by 39 votes to 6, with 7 abstentions.

The Canadian proposal was put forward on April 16, 1958, and it so happens I was over there as minister of the federal government responsible for the team at the law of the sea convention. I do believe I have the right to say that it was no accident that proposal was put forward. We met every morning to discuss the strategy of that conference. I recall speaking very forcibly on the point that the main consideration we had was to get this one part of the work of the conference clearly into an international convention so it would be of some use to us in case there was a breakdown on any other point. I do not believe my claim was made in any sense as boasting.

There were several other points raised which I think will be straightened out in the record. The first one deals with the statement that I said it was government policy to do certain things on the continental shelf. At the time I objected to that statement, but to make the record absolutely clear I would cite page 6873 of *Hansard* for July 23, 1960, where the hon. member for Villeneuve said:

> So I would suggest the government give serious consideration to granting the provinces the rights to those natural resources on the continental shelf adjoining their own boundaries.

I was not the one who said that, it was the hon. member for Villeneuve. He made the suggestion that we give serious consideration to that matter and naturally, in answer, I said:

> This is a matter of government policy and will be declared in due course.

I did not make the statement that these resources should be given back to the provinces because I have no right to make that statement. What I have said in the past is that we have made it very clear that the legal officers of the crown say the continental shelf belongs under federal jurisdiction. If there are any disclaimers to that, there is a proper course to take and that course is up to the persons who feel offended.

I believe those are the main points I have to answer, Mr. Chairman. I am very grateful to the committee for debating this subject of the Liberal versus the Conservative vision so vigorously because I think it will help many Canadians, not only in this committee but outside, to understand what the differences are between us.

Mr. Chevrier: During the course of the discussion earlier, an hon. member—I believe it was the hon. member for Port Arthur—asked a question about the Yukon. The minister seemed to indicate that he disclaimed jurisdiction. If we have any questions concerning the Yukon, to whom do we direct them?

Mr. Hamilton (Qu'Appelle): Yes, I think that is quite correct. The set-up in the Northwest Territories and the Yukon is that we have given jurisdiction to elected councils to look after matters concerning the territories, with the exception of natural resources, education and social welfare for the Indians and Eskimos. The commissioner acts in a dual capacity. When it is a matter that comes under territorial jurisdiction he deals with it without any directions from Ottawa. When it is a matter over which the federal government has jurisdiction he, of course, consults us and is responsible to us for his actions.

This is a very delicate matter in connection with the development of the territory leading finally to the concept of provincial status. In so far as the responsibility of the minister here is concerned, I would suggest it is 100 per cent in connection with matters of federal jurisdiction but in so far as territorial matters are concerned all I can do is relay to the house what is going on there as I see it. I would not want to interfere in their right to decide on such matters as the game laws or the liquor laws which come under their jurisdiction. I can only facilitate any of their actions because everything they do does come under the governor general in council who has to approve all their ordinances. I am not an authority on just what I should be responsible for in the house. I would be glad to discuss any of these matters, as I did with the hon. member for Port Arthur because the case he was discussing was that of an individual criticizing the territorial government. I do not think that I should be required to defend a territorial government or to defend a member. It is a matter between the two and I did not want to get into that discussion.

Mr. Peters: I have been waiting for some time, for this particular item to be reached, Mr. Chairman. Early in March this year we passed a bill which took over for the Canadian government from United States control a pipe line in the Yukon and the Northwest Territories. At that time there was a great deal of controversy as to what the government intended to do with this pipe line. It was my hope and desire that the Canadian government would take it over as a crown corporation and would operate the pipe line

and would also rebuild those roads and airports that were going to serve in the development and the opening up of the particular area.

At that time we were told that because negotiations were being conducted at the time we could not be told what was going to happen to the Canol project. Since then on several occasions I have asked the other minister of northern affairs, the hon. member for Yukon, what the situation was in relation to this matter and he said that he did not know. Now that we have had an opportunity of buying it and have in fact bought it, I should like to know what we are going to do with it and what the disposition of it is. It is now no longer a buying proposition; it is something that the Canadian people own. I think that now is the time to tell us whether we are going to get it as a crown corporation or whether we are going to sell it or lease it to companies as was suggested at the time of the discussion.

I think this has been an opportunity for development in that area. Connected with the projected has been extensive road development, extensive airfield development as well as the pipe line itself. We were told we were getting a real bargain, that we were getting about a $1,700 million proposition for about $600,000, that this was a bargain. I think this type of bargain could and should be used for the development of that area. I am still of the opinion that the best way in which that can be done is through public ownership and operation as a crown corporation.

I was also interested in the statement the minister made about developing the lead and zinc mines in other areas. While I am not familiar with what the background is or what the situation is, I think the minister should bear in mind something that Larry Sefton, district director of district No. 5 of the united steelworkers said a few months ago when they were discussing the Elliot Lake proposition and the uranium industry in general. He made the statement—and I think it is a correct one—that if we do not plan what we were going to do with our natural resources, it is much better to leave those natural resources alone and not touch them at all. There would have been less of a problem at Elliot Lake to the miners, to the people of the community, to the government of Ontario and to the municipal governments that put money into this project, if we had never operated the uranium industry at all. People are going to lose their life savings in the houses they purchased there when no jobs are possible for many of them in the future.

[Mr. Peters.]

I think we should be giving serious consideration to developing new industries. It is quite true, as the minister said, that if we are going to fit this into our economy, this is the time in which to do it. We must ascertain for ourselves what is the marketing potentiality, what the needs are and then develop a fairly long range program. However, I am not in agreement in any way, shape or form in developing natural resources that are going to be at the expense of the people themselves if we have not a long range program under which we can foresee the sale at reasonable prices of the minerals we are going to produce. Otherwise, it would be much better that we did not operate these mines at all or that we did not do any of the development that is necessary.

I am also interested in another field. I am pleased that the minister has divided his department into two sections. I suggest there should be another section. I come from a part of Ontario that is still in a period of growth, a period in which it is dependent entirely for its existence on its primary natural resources. These resources of minerals such as gold, silver and the other metals and the lumbering industry have been the basis for the development of northern Ontario. This development has all taken place within the last 60 or 70 years.

We have now reached the stage where the development of the natural resources of the nothern area has come to an end. Within the last few weeks in Kirkland Lake we have notice being given of the closing down of two large mines that have been in operation for many years, one of them for 25 years. We have taken the precaution of keeping these properties in production through emergency gold mining assistance and in other ways have assisted them to stay in production. But we have done nothing whatsoever as a government to further the secondary development that is absolutely necessary in order to carry on the second stage. To me it seems rather silly that we should be interested in going into new areas and developing new mines and in going into new areas and developing towns like Frobisher Bay when we have towns much closer that are already there and that are completely dependent on the government for starting the second stage of their development and bringing them into the general economy of the country through the expansion of secondary industry.

This must be the responsibility of the government. If we are going into the production of minerals, into the lumbering industry or any of the other natural resources, I think this must be a planned forage into those industries. I think we must know how far we are going to go, how extensively we are

going to support it, what protection we can give for the lifetime of that particular industry but, particularly in those industries that are not renewable, we should be prepared to start a secondary development so that we shall not have ghost towns all throughout northern Ontario, the north of Quebec and, I imagine, all through northern Canada including the Northwest Territories.

It is all very nice to say that this vision keeps moving farther and farther away. We were greatly impressed in Ontario to find that the people in Toronto bought this because all they ever knew about northern development was that if you bought stock on Bay street you could make a fairly good profit on those stocks and that it was a nice thing to get more mines in production because there was a great deal more money to be made on Bay street in the development of those mines. But they never came north to see what was developed and they were not particularly interested in doing so. They were more interested in getting premiums or in clipping coupons of those that were successful and they wanted to forget about those that were not successful.

If we are going to be honest about the vision in northern Canada—and I think we should be, it seems to me that we are going to be going north, we are going to develop the north; there is no question about that—I think we should consolidate some of the northern development that we have already done. In my opinion, there is no better place in which to live than in northern Ontario where the mines are now starting to close down. Sylvanite will be laying off 300 or 400 men in the next few weeks. Kirkland Lake Minerals will be laying off at the end of this month or on the 31st of this month half of their staff. The other half of the staff will be doing a clean-up operation and then the mine will be completely closed in a very short time.

It seems to me that one of the branches of the department of northern affairs should be a branch that will handle secondary industry. I suggest that the minister give serious consideration to this matter. It is not good enough to leave them trailing all over the country, with public works giving a handout here and northern affairs putting their foot in it in another place and the minister of mines making promises in his jurisdiction and none of them actually facing the problem that must be faced, namely that of secondary industry.

In speaking of natural resources and of northern development, may I say that I think the time has come when we must be realistic about putting secondary industries into northern Ontario. This can be done only on a planned basis by a department that is situated so that it can take advantage of the natural development that flows from primary resources and puts some of that money and some of those resources and some of the development that is possible into secondary industries so that when the one dies, the other is being born and communities are able to continue. It will not impress the people of the Kirkland Lake area and the other mining communities at all to hear about the future development of places like Frobisher and other mining communities when they themselves have no jobs or places to go to or no secondary industry in sight.

I think the minister should give serious consideration to this matter of secondary development which is a natural offshoot of primary development of our natural resources. While it may be difficult to convince a Conservative government that this should be done, because it means economical planning and the taking of some money out of the pockets of those who have been scavengers throughout the ages on both the lumber and mining industries, some money must flow back into the development of secondary industries. If we offer the considerations which have been offered in other countries to develop secondary industries we can have secondary industries in our northern areas of Ontario and Quebec.

It is not good enough to say that we will do it five years from now. As far as Kirkland Lake is concerned two of the producing mines are now closing in the next few weeks and I am sure others will follow because some of them have been in production for 25 to 30 years and this is the lifetime, in the main, of these industries. The protection we gave to the forest industry has not made it possible for us to have a continuing industry in that field either, so that secondary industries are the only answer we have to this matter of solving the problem which arises after you complete the first stages of development in the field of natural resources.

There is another problem which affects us, and that is the matter of a seaport on James bay which is not the responsibility of any department of government. We have raised this on almost all the estimates but we are always told it belongs to somebody else. Surely, Mr. Chairman, this belongs at least partly to the department of northern affairs because this is one of the methods, in my opinion, by which we will be able to bring in secondary industries to areas which to a

great extent are now devoid of natural resources, and at the same time it will start a flow into that area of natural resources from other areas.

I think the minister is fully aware of the potentialities we have in the Hudson bay and James bay areas which will flow into the heart of industrial Canada and the Toronto area if we are able to develop a port which will make it feasible and economical to produce the iron ore and other minerals in the area to the point where they can be transported to the companies and the areas which will use them. If we do that I think also in the process we will be building secondary industry all along the route which will follow from the fact that we will be supplying finished products, the things which are necessary to develop new areas, mining equipment, all the feeder equipment which will go into production. We will be able to produce that all along the line and this will in turn be a partial solution to the problem which is now faced by those areas which only a few years ago were part of our northern development and which are now nearly devoid of any secondary industry unless it can get it from the reflection of the vision this government has.

The Deputy Chairman: Shall vote 282 carry?

Mr. Peters: No, Mr. Chairman. I would like an explanation particularly about what happened to the pipe line projects.

Mr. Hamilton (Qu'Appelle): Negotiations are still continuing, but I can tell the committee that we are now trying to lease to the White Pass railway in the Yukon a four-inch line which goes south of Whitehorse toward the United States boundary leading to Skagway. In the case of the three-inch line leading from Whitehorse to the Alaska border, we are negotiating with the Alaska-Yukon Refineries and Distribution Limited for them to lease that. Therefore, we will retain ownership of these two lines but will lease them to the two companies to keep down prices of fuel in that area. There is a two-inch line which runs from Carcross up to Watson Lake, but so far we have not found any person interested in it and we may have to salvage it and take the pipe out. There is very faint chance we might find a use for it, but I think it is very faint.

Item agreed to.

290. Construction or acquisition of buildings, works, land and equipment including costs arising out of the relocation of the town of Aklavik and payment of such compensation as governor in council prescribes to persons affected by such relocation, $9,805,370.

[Mr. Peters.]

Mr. Pearson: This vote covers, among other things, communications, roads, bridges, and there is a reduction of some $2,800,000 I believe. I wonder if the minister would explain that?

Mr. Hamilton (Qu'Appelle): Is the Leader of the Opposition referring to item 290 or 289?

Mr. Pearson: I do not know whether it is under 289 or 290. I am talking about the details which are to be found on page 394 under the Yukon territory, construction or acquisition of buildings, works, land and equipment, and construction of roads and bridges is one of the details, and the amount being asked this year is $3,367,000, which is a considerable decrease over last year. In view of the minister's statement about the importance of communications and roads and all that kind of thing, I thought perhaps he would explain that decrease.

Mr. Hamilton (Qu'Appelle): Are we on vote 290, Mr. Chairman?

Mr. Robichaud: I think the question asked by the Leader of the Opposition is on item 288.

The Deputy Chairman: That was passed but perhaps the minister can answer it now.

Mr. Hamilton (Qu'Appelle): The Leader of the Opposition mentioned the Yukon, which was item 288, but the figures he quoted are under item 290 and that is why we are confused. But I think the chairman will allow me to answer this question on any one of the votes.

Mr. Pearson: Perhaps the minister would answer under 288 and 290 because there are two separate votes for the construction or acquisition of buildings, works, land and equipment, construction of roads and bridges, one in the Yukon and the other in the Northwest Territories. They both show a decrease and perhaps the minister would explain the reason for it.

Mr. Hamilton (Qu'Appelle): The votes referred to by the Leader of the Opposition are construction votes in the Yukon and construction votes in the Northwest Territories. The construction vote in the Yukon is down by approximately $665,000. This is largely due to the fact that this is the completion of the big program of building bridges which was announced in the estimates for 1958 if I remember correctly. The three major rivers that intersect the road leading from Whitehorse to Mayo were a great barrier to the movement of goods north and south in the Yukon. These bridges have been built and will be completed this year. There will be no necessity for the vote continuing on

to the next year. The reduced amounts are to cover the finishing off of the bridges which are three in number.

In this vote also is the money required for the Flat Creek-Eagle Plain road which runs north from Dawson City to the new oil find in Eagle Plain. I gave the committee a report on that project on Saturday but will repeat it again. In the first year the progress was slower than we expected due to the fact that there was heavy rain last year in this area for the first time in many years. This year the progress is much faster and we expect by the end of the year to come close to getting back on schedule over the two-year period. I have the details of all the roads in this program. Does the hon. member want that information?

Mr. Pearson: I think not, Mr. Chairman, but could the minister tell the committee whether there is any new road construction involved in votes Nos. 288 and 290?

Mr. Hamilton (Qu'Appelle): Yes, the new construction is a continuation of the Flat Creek road up to Eagle Plain. It will take six or seven years to move forward on this schedule. The other runs from the southeast corner of the Yukon to a place called Watson Lake and then will head in a northwesterly direction up to Ross river finally reaching the Whitehorse-Keno road at Carmacks. The road goes through one of the most promising mineral areas of the Yukon. We will start our construction program on that road this year. I believe the program for this year calls for the road going to Frances lake a distance of 28 or 30 miles from Watson Lake. I do not have the figures. The program will be carried out year by year until completed. It may interest hon. members to know that on the road from Frances lake to Watson lake we will be building, when we can see the economics of it, an access road up to the tungsten development on the border of the Yukon and Northwest Territories.

Mr. Pearson: I take it from what the minister said, Mr. Chairman, that this reduction in road and bridge construction in the two votes is due to budgetary considerations largely and not to the fact that there is no longer a necessity for developing communications and roads in the area concerned.

Item agreed to.

Forestry branch—

291. Branch administration, $172,333.

Mr. Herridge: Mr. Chairman, I am not an historian but I want to speak on this item. I always feel at home in tall timber. We discussed this thoroughly on the bill to set up the new Department of Forestry so I will be brief. I think it is safe to say that this is the last time the estimates of this branch will come before us as a branch of this department because next year I presume the item will be a main one in the estimates of the department of forestry.

We hope that as a result of the conference on resources for tomorrow there will be an agreement on certain principles between the government and certain provinces respecting policies concerning the development of forest research and forestry in general. We appreciate the work done by this department and particularly the forest products laboratory which produced many splendid booklets which I have in my hand. When the department is well under way we hope the branch will have ample funds to extend its work in connection with keeping in contact with the lumber industry and especially small operators. Despite the good work done in the past small operators did not know the information was available but knowledge of it is more widespread today.

I shall deal with an immediate problem that can be tackled in the immediate future through efforts on the part of the federal and provincial governments to prevent losses from fires that are occurring even at the present time. The Nelson *News* of July 21 mentioned that in the Kootenays at the present time approximately 2,000 men are fighting fires and a more recent report indicates that 10,000 acres of timber are on fire. The expenditure on the part of the provincial government is very heavy. There is a worse state of affairs in the region north of Kamloops and to some extent in central British Columbia. I see by the press that there are heavy fire losses in other parts of Canada.

I am keen on this question because I witnessed some bad fires. My first experience was that of being the youngest man on a fire fighting crew in the early days of this century when I was given the job of leading 10 young ladies through the mountains in the dark and depositing them safely at a lakeside some 10 miles away and I have seen many fires since. I stood on a mountain and saw timber in a valley 15 miles long and three miles wide completely destroyed in three hours; 200 million feet of commercial or near commercial timber almost completely destroyed, nothing left but charred stumps and trees killed by the heat. These experiences have led to my keen interest.

Fire prevention is not just a matter of more funds but a question of co-operation between the federal and provincial governments, various government departments and other agencies in the province and even in the

municipalities in some cases, and the organization and better mobilization of presently available resources.

I do hope that one of the first things this conference on resources for tomorrow tackles is an immediate problem, something that can be done, as it were, overnight, compared with forestry laboratory research, forestry research or forestry fire protection reseach; that is, some program and planning which, as I said before, will enable us to organize the capacity we have today to fight forest fires in Canada and to mobilize our resources. I suggest that we should have an over-all national policy in this respect that provides for the throwing into a forest fire situation first of all the local resources in manpower, materials and equipment, and when it is obvious that that is not sufficient, then the provincial resources come into play and then finally if necesary we can throw in the national resources.

In the national resources I include the armed forces. I think it is absolutely ridiculous that we should have thousands of men in training at the present time, particularly those men in engineering corps and certain infantry units in the army who could be spared for a month or two, if necessary, to fight fires, and not use them. We have a situation in British Columbia where the armed forces of the federal govvernment could be used. The Department of National Defence should be willing to co-operate with the provincial, regional and local authorities to use the armed forces, whether it is the air force transporting troops, or troops from the infantry or other services, and throw them into a certain area when required to build roads and to assist the local people in fighting the fires which are raging at the present time. The experience would be a good thing for our armed forces. It would be good practice for them in meeting emergency situations and dealing with problems. Very often the problem has to be met under very difficult circumstances of rough terrain with difficulties in respect of transportation of food, men and equipment, and so on.

As I said before, I am going to be quite brief, but I do suggest that one of the first questions that should be considered by the resources for tomorrow conference should be the organization and mobilization of all our resources in Canada as the result of co-operation among the federal and provincial governments and the regional and local authorities in an effort to limit as much as we can the destruction of our forests by fire which is so devastating from year to year and particularly at this time while we are discussing the estimates of the forestry branch of this department.

Mr. Chevrier: I have a question or two for the minister in connection with this division of his department. I take it that this is the division which is going to be transferred to the new department of forestry.

Mr. Hamilton (Qu'Appelle): Yes.

Mr. Chevrier: Since it is a very important division of the minister's department, he should tell us, if he can of course, what will be done with this particular branch. Has the minister any information as to when the new department is likely to be established? Can he tell us what other aspects of forestry over and above those that were mentioned during the discussion of the legislation to establish the new department are to be transferred, and any other information that I am sure he must have at his disposal now in connection with the establishment of the new department?

Mr. Hamilton (Qu'Appelle): First of all, I should like to thank the hon. member for Kootenay West for his kind words to the members of the forestry branch and both research and forest products laboratory, because I do not think there is a group of people more deserving of the thanks of their fellow Canadians. I should like to add my words of appreciation in the committee at this time of the officials of this branch who will soon be moving to the new department.

The hon. member for Kootenay West raised the question of forest fires. When I introduced second reading of the forestry bill I suggested that something could be done in setting up reservoirs of trained personnel and equipment. I should like to inform the hon. member and the committee that just last week end there was a meeting in Oriskany, Quebec, of representatives of the forest industry, the province of Quebec, the province of Ontario, and the province of New Brunswick, represented by ministers; also representatives of the armed services, the army and air force, wondering and working out plans that I hope will be put before the new minister in connection with the proposal that I originally hinted at when I was speaking on second reading of the forestry bill and which has been amplified to a degree by the hon. member for Kootenay West.

I think I can say on my part that until this branch is removed from my jurisdiction I will push as hard as I can to see that everything is done in the form of planning for the new minister; that he will have research work that we have done, at least planning for research work that we have done, and planning

better forest fire co-operation with the provinces. All these plans will be turned over to the minister and I will not stop because the branch is leaving me sometime this year.

The hon. member for Laurier asked for details of what is being done with this particular branch. The actual divisions that will go over to the new department from the Department of Northern Affairs and National Resources are: forest research division; forest products research division; forest operations division and the administrative division. From agriculture there will go just one division composed of the two sections, forest entomology and forest pathology. In addition to this, there will have to be built up an administrative corps under which these various branches will operate. I do believe there has to be an economics section and a section on marketing to co-operate with the Department of Trade and Commerce, and some administrative officials.

Mr. Chevrier: May I interrupt to ask whether that will include votes 291 to 301? They would go to the new department?

Mr. Hamilton (Qu'Appelle): Yes, I think it will include all of those votes, but there would also have to be some additional administrative personnel, the nature of which I just described. At the present time the officials are busy working out the organizational plan for bringing these two branches together. Also, we have the question of housing the new department, and that is now in the hands of public works. I think these are all the details I can give the committee at this time.

Mr. Fisher: I want to support very strongly the point made by the hon. member for Kootenay West about the armed forces. It seems to me it could be very much a part of their training to have them work in fire prevention, especially since it would require their movement at speed to different parts of the country. If the minister runs into any difficulty in getting co-operation in working out such a plan and such a task force, I would suggest to him that he compare, at least in the cabinet and with the Minister of National Defence, the efficacy of the changing of the guard out on parliament hill with the contribution that a force of equal size and of equal training, but in a much more utilitarian field, could play in fire fighting assistance.

The hon. member for Kootenay West has fires in his area similar to those which we have had in northwestern Ontario recently. The problem of the Ontario provincial fire service is not one of bad organization but has to do with the fact that they cannot keep up to strength to master completely all fire problems on any kind of a permanent basis. Last year was a wonderful year in Ontario from a fire point of view in that because of a combination of weather and other factors there was very little in the way of threat. This year the situation is much different, and I have great sympathy with the provincial authorities and the problems they face.

In the Canadian army we have a corps of men whom we can only look upon as being primarily to defend our own country and who could form a kind of task force which could come into the picture when a fire problem arose and because of the experience they would have they would gain very much in a military way. If we contemplate fighting the Russians some day, I imagine most of the fighting will take place in the boreal forest area, and the experience gained in the bush, with all its tribulations, fighting fires is something that I think our army could well afford.

I have noticed in the press the magnificent manoeuvres that are taking place near Petawawa at the present time and the cost to the taxpayers. I am pleased to think our soldiers are being trained but I also think of how comparable in worth the training would be that they would get in moving to danger areas where there are fires. That is why I should like to support very strongly the suggestion that the minister take the lead through this branch in seeing such a force developed.

I should like to ask the minister several questions about the branch. What is going to be done about the library services and facilities for the new forestry department? I am not critical of the forestry branch library. The last time I was there a few years ago it struck me as being a fair though not an excellent library to serve the specific branch, but if we are going to have a forestry department it seems to me it has to be much larger.

The minister is probably aware that from a research point of view the papers and documentation on file now in the Department of Agriculture are much more complex and go much deeper in terms of classification than much of the general forestry literature whether it has to do with economics of forest management or silviculture. Therefore I should like to know what the plans are for the library service in the new department and just what role is now going to be played by the library that now exists in the forestry branch. If, as the minister indicates, the new department is going to be the leading research organization in Canada for forestry in all its aspects I suggest we need more space than we have at present, more librarians and real

planning in this field. I should like to know what the minister can tell us about this matter.

There is one other piece of information I should like to have. How much time was given by the foresters of the forestry branch to assistance of the Indian affairs branch in relation to Indian lands in the last year or so? Is there under consideration at the present time any arrangement with the Indian affairs branch that would lead to greater provision of the services of professional foresters to the Indian affairs branch than exists now?

Mr. Brunsden: Will the hon. member permit a question? Those of us on this side of the house find it difficult to follow him in his various ramifications. Is he suggesting that the ceremony outside the parliament buildings each morning should be discontinued?

Mr. Fisher: If it is a good tourist attraction, it is a good tourist attraction, but I would suggest that in terms of actual dollar return to the country, in terms of real military training, a military task force which could handle forest fire crises would be of greater value to the country than the ceremony in front of the building.

Mr. Hamilton (Qu'Appelle): With respect to the question of the library in the new department, I can say we will be taking over the libraries in the head office of the forestry branch, the laboratory offices and the field offices. The library in the agricultural division will be taken over but it is recognized there will have to be considerable effort to build up the forest biology section because to a great extent that library is tied in with the very fine libraries in the Department of Agriculture. The one in the new department will have to be built up. With respect to Indian affairs, there are plans now on foot to assist Indians in two parts of Canada next year but that does not come under this vote. It will come under next year's estimates.

Mr. Fisher: Could the minister give some indication of just what negotiations have taken place? After all, this matter must come under the general forestry branch item and I think it is fair to ask about it. I would emphasize this point by saying I have not been satisfied with the explanations of the Minister of Citizenship and Immigration in this regard. I welcome very much the minister's statement that there is going to be more assistance in the future but I think we are entitled to know what is involved.

Mr. Hamilton (Qu'Appelle): It is the policy of the forestry branch to accept requests from any department of the government to do surveys and studies and to help plan forest management with respect to forests under the control of any department. As the hon. member knows, we have done a good deal of this work for the Department of National Defence. The Department of Citizenship and Immigration has asked us to do work in two places in Canada next year. I understand that the planning is going forward but there is nothing in this vote for what is planned for next summer.

Mr. Fisher: Has the minister carried on any negotiations in the past year or had any conversations with the Minister of National Defence on the question of a military task force giving support in the summer time to meet forest fire crises?

Mr. Hamilton (Qu'Appelle): The Minister of National Defence and I have been working on this matter for a year and there is perfect harmony and agreement on both sides. What I said to the committee today is the first indication that the matter has moved into the field of ministers meeting with the provinces. These are informal meetings but we are trying to find out what the problems of the various provinces are and to see if we cannot come up with a plan that will be satisfactory to the industry, to the provinces and to ourselves. The military people are very interested in the matter and are co-operating with us in working out plans.

Mr. Fisher: Can the minister tell us whether part of the consideration is the use of some of the facilities of the Royal Canadian Air Force in such a field as water bombing? I raise that point because this appears to be a practical means of bringing medium or small fires under control. Yet very few provincial forestry services can afford the kind of concentration in terms of planes to make this method most effective. Here again, it would seem to me this might fit in with some of the cargo carrying and transportation duties of the R.C.A.F. I should like to know whether that is part of the consideration.

Mr. Hamilton (Qu'Appelle): Yes, Mr. Chairman.

Item agreed to.

296. Contributions to the provinces for assistance in forest inventory, reforestation and forest fire protection in accordance wiht agreements entered into by Canada and the provinces, $2,450,000.

Mr. Fisher: Since the election in Quebec has there been any change in the attitude of the Quebec government toward these agreements?

Mr. Hamilton (Qu'Appelle): Yes. Informal approaches were made on these matters by both the previous administration and the present administration in Quebec.

Mr. Fisher: Is the increase enough to take care of any participation in the present fiscal year?

Mr. Hamilton (Qu'Appelle): Yes, Mr. Chairman. The vote is set up on the basis of all provinces coming in and if any province does not come in the amount left over is distributed among the other provinces. If Quebec comes in they will get their allotment which is based on a formula.

Item agreed to.

297. Contribution to the province of New Brunswick for assistance in a program designed to combat the spruce budworm infestation, in accordance with an agreement entered into by Canada and the province, $550,000.

Mr. Robichaud: Before I say a word on this item, may I be permitted to welcome the new premier of New Brunswick, whose presence has been noted in the gallery.

This item has to do with the contribution to the province of New Brunswick for assistance in a program designed to combat spruce budworm infestation in accordance with an agreement entered into by Canada and the province. The minister will recall that a few years ago there were some unfortunate instances connected with the spraying operation. Certain streams and certain ponds were infected and the fish were being killed. Could the minister advise this committee if the necessary precautionary measures have been taken to avoid a repetition of such unfortunate incidents?

It seems to me that I recall reading an article in one of the New Brunswick newspapers a few days ago in which it was stated that certain streams had been depleted of sport fish. I believe trout was mentioned in that instance. The main reason for this was the spraying operation. I am not against the spraying of New Brunswick's forests to protect them from budworm infestation, but I do believe certain precautionary measures should be taken. I wonder if the minister could advise the committee if this matter has been looked into?

Mr. Hamilton (Qu'Appelle): Yes, this has been a matter of considerable interest to both governments. In the past the spraying has been done on the basis of using 1½ pounds of d.d.t. per acre. We have been in consultation with the Department of Fisheries here, and of course the same department in New Brunswick, and this year in areas close to streams we have decided to use only one-quarter pound of d.d.t. per acre. The fisheries people advise this will not do too much harm to fish, and of course I accept their advice. I think there is a reasonable chance that this compromise will succeed in slowing down the budworms and at the same time not do too much damage to the fish.

Item agreed to.

Forest products laboratories division—

298. Operation and maintenance, $966,063.

Mr. Fisher: Could the minister indicate just how many research people are being added and to what areas are the specialists going? Is it more toward the pulp and paper side or is it more toward the lumber and preservatives side?

Mr. Hamilton (Qu'Appelle): The additions to the research staff this year do not do work for the pulp and paper companies directly. The pulp and paper companies do most of their own work in basic research. The 11 new forestry officers put on this year will be doing basic forest research, which will apply to the trees whether they are used for pulp and paper or lumber.

Mr. Fisher: This is not very clear to me. There are a number of people whom I know at the products laboratory who are working in fields that relate to the pulp and paper industry. I am quite aware that the pulp and paper research institute does a lot of work, but I just wanted assurance from the minister that the increase is not in that particular field but is in the field of preservatives and lumber.

Mr. Hamilton (Qu'Appelle): I think I may have left a wrong impression as a result of my last remark. At division headquarters the number has increased from 4 to 13, that is an increase of 9. At the Ottawa laboratory the number has increased from 108 to 113, that is an increase of 5; at the Vancouver laboratory the number has increased from 53 to 61, an increase of 8. This makes a grand total of 22, of which 11 are scientific personnel. The impression I left at the end of my last answer was that the work of these fellows was connected mostly with the trees themselves. However, these 22 extra people on the research side are working in laboratories which are concerned almost entirely with the uses of wood other than pulp and paper.

Item agreed to.

301. Eastern rockies forest conservation board—Remuneration and expenses of the federal member of the board, $5,575.

Mr. Chevrier: Perhaps this question should have been asked on the first item concerning the forestry branch, but in answer to my question earlier the minister gave very little information. Is the minister able to say when the new department is to be established?

Mr. Hamilton (Qu'Appelle): No, Mr. Chairman. Incidentally, since we are on this question of the eastern Rockies, I may say that the agreement that we have will be transferred to the new department. I do not know the time when the new department will be set up. There is still considerable work to do.

Item agreed to.

National museum of Canada—

302. Administration, operation and maintenance, $736,904.

Mr. Fisher: I hope the minister can give us a statement on how the national museum has been adjusting to the problems it had in the last two or three years, the scandal, if I might call it that, within the management. I should like to know, especially, about the performance of some of these central figures in the Rousseau charges, and generally how the museum is coming along now, especially since it now has the building all to itself and is in a position to get moving along in a more constructive pattern. I should like to know whether the government is still searching for a senior appointment amongst the French-Canadians of the population. I should like to know what balance is being sought in connection with that particular matter in order to give French-Canadians some representation at the senior level that they had on such a temporary basis before what was, in effect, the dismissal of Dr. Rousseau.

Mr. Hamilton (Qu'Appelle): First of all, I think the committee will agree with me that there was hardly a scandal down at the museum. It is true that one or two newspapers had headlines which made it look as if there were something very odd going on down there. Fortunately, in the interests of justice and fair play, they stopped that and I am very grateful to them for doing so.

At the present time the director of the museum and the permanent head of the natural history museum is Dr. Russell. He is also the acting head of the human history side of the museum. Recently we have been able to recruit a topnotch person by the name of Mr. Wilson, who will be the assistant director of the human history and natural history side. We are looking forward to gradually straightening out the administrative problems that have arisen in the museum.

I should like at this time to make certain that everyone knows some of our thinking on the museum. The national museum is the place where we keep a record of those things dealing with our natural history and human history. This museum has worked under a very severe handicap because it had to share the building with the geological survey of Canada and the national art gallery.

After many long years the building has now come back to the museum. Certain repair work must be done to modernize the museum for better use. I want to make this point clear. The primary purpose of the museum is to collect our history. However, an important secondary purpose is to make this history accessible and available to all Canadians. It is extremely difficult to move every Canadian to Ottawa. Therefore the museum has done wonderful work in the scientific field in preparing booklets and brochures on various parts of the work we are doing. Indeed, I should like them to push this work further.

Through the medium of television, for example, I should like to be able to take and make alive the exhibits we have there in a dynamic form and send them all across the country through the means of television. In the replanning of the Victoria building I hope that space will be set up for a television studio. I also hope that the various television companies, in trying to achieve their 55 per cent Canadian content, will realize that the best entertainment over a period of years is education and that the great knowledge collected by great scientists in this building will become the real heritage of people all across the country by having it taken to them in the form of television. There are other ways of taking museums to the people. I do not want to bore the committee with details but I will say this. I am quite proud of the way in which the museum is taking hold of this task and with the great ability and the great sense of scientific accuracy possessed by the staff, I am sure the Canadian people, when they have the museum taken to them, will be seeing some of the best examples of the collection of knowledge that we have any place in the world.

Mr. Herridge: In view of the fact that historically Conservative parties have always looked upon nations as national museums and the parties in question as the curators of those museums, the government should meet its greatest success in the administration of this national museum of ours. I think there have been some improvements since the Conservatives came to power. That is one of the branches of the various departments for the improvement of whose administration I give them great credit, although it has been slow. However, I presume it is in line with their historical role in history.

However, I rose particularly to deal with a matter that is of particular concern to people in other museums across Canada and those people who are interested in preserving

the archaeological finds and artifacts and other things of the past. In this connection I wish to quote briefly from the report of the committee on mines, forests and waters of the last session in connection with the museum. This report starting at page 671 of *Votes and Proceedings* of July 6, 1959 reads as follows:

> Your committee recommends that the government examine the adequacy of present legislation and regulations concerning protection of archaeological discoveries and artifacts, and their export from Canada. Such examination should include liaison with the provinces for exchange of information on archaeological discoveries and for uniformity of protective legislation throughout Canada.

I should be interested in knowing what has been done to give effect to that recommendation on the part of the committee because of the interest that is shown in this question by persons across Canada. My attention was drawn quite recently to an article in *Maclean's* magazine of July 4, 1959. It is written by Fred Bodsworth and it is entitled "The scandal of our lost art treasures". In it he goes to great lengths to indicate how our lost art treasures are going to the United States particularly and in some cases to other nations because apparently we have not in the national museums, the provincial museums or among private persons the initiative to make certain that these treasures are not lost to Canada. I want to quote just a few comments made in this article because they impressed me greatly and in order to emphasize the importance of this question to the committee:

> For 200 years such treasures of Canadian art and history have been pouring unnoticed out of our country into the museums and private collections of the United States and Europe. They have included not only historical treasures of our own pioneer era, but also vast quantities of primitive Indian and Eskimo art—irreplaceable examples of the now forgotten crafts of our first Canadians.

Then he goes on to deal with the places to which these things have gone. He states:

> The Detroit institute of art has a collection of French Canadiana (church sculpture, silver and pioneer furniture) much choicer and comprehensive than anything in Canada, including French Canada.
>
> New York's museum of the American Indian alone has seventy superb examples of a much-sought type of abstract, wooden, Eskimo mask; in all Canada there are fewer than a dozen comparable specimens.

Then he goes on to say this:

> But the world's biggest Haida argillite collection is a privately owned one in Florida, its 527 specimens probably outranking all Canadian collections combined.
>
> The art's earliest and most primitive period, prior to the 1830's, is represented in Canada by only one specimen—a pipe in the Hudson's Bay Company museum in Winnipeg. But there are scores of specimens dating back to that period—in the Paris museum of man, the Peabody museum of Massachusetts and the U.S. national museum in Washington.

While we neglect taking care of these treasures, he goes on further to say this:

> Meanwhile collectors from other countries, especially the United States, were overrunning Canada and carting our heritage away by the boxcar load.

I know that the protection of Canadian archaeological discoveries and artifacts is not the sole responsibility or jurisdiction of the national museum. However, I urge that everything possible be done by this government to interest provincial museums and historical associations. I think it is an excellent thing to get the co-operation of local historical associations in connection with the preservation of these interesting relics with respect to our history and former civilization on this continent. I know that our own historical society—I refer to the West Kootenay historical society; and I have never been backward in saying that we are extremely progressive in West Kootenay in many respects—has been greatly interested in making certain of the preservation of Indian relics and things of that sort, of early relics of the pioneer settlements in the fur trading days and the early lumbering days, of the early agricultural settlements, and so on.

I am sorry to know that the only specimen of a Kootenay canoe in existence in Canada was brought from the Kootenays to the national museum, was hung from the ceiling and was allowed to perish from lack of care. One morning when the caretaker went into the museum he found it had fallen to the floor and had broken into many fragments. It is a most unfortunate thing that this canoe, which represents a type of canoe that is found only in two places of the world, namely on the interior lakes in the Kootenays and on a small lake in northern Siberia, was allowed to perish in the national museum because of lack of care.

I mention that matter because this occurrence was greatly regretted by people who were interested in this matter in my district. I am glad to know that I obtained a good photograph of it before it was allowed to collapse and fall to the floor. The situation arose because of lack of a certain moisture content in the air in the building and because of lack of protection of the surface so that the moisture would not evaporate and it would not become so brittle that it would disintegrate.

Before I sit down I also want to bring to the attention of the committee the comments that were made by my leader, namely the hon. member for Assiniboia who I hope will

be national leader of the C.C.F. in Canada. On page 1105 of the committee report appears the following:

Mr. Argue: Mr. Chairman, the minister can comment on this if he cares to. Surely there is no suggestion that the Canadian government does not have the constitutional authority to promulgate regulations controlling the export of goods of all kinds—artifacts, specimens, and so on—from this country.—

Then in reply the minister said:

—I know the provinces look after the archaeology of their provinces, and if they had a regulation and would agree that a number of these things could be taken out, at first glimpse, I do not think the federal government would want to set up a national policy to override a provincial policy and look on these as trade goods.

Then the hon. member for Assiniboia goes on to say:

—but I would suggest that general regulations in this field are as necessary and important as are general regulations in the field of taking any other commodities outside of the country.

Then the minister replied:

That has concerned me very much.

And I am sure it has.

I have started a study of provincial legislation and what is operating there.

There is one advantage the federal government has in this field and that is that it can prevent the export of certain things from Canada although it has not jurisdiction over any of these archaeological discoveries or artifacts within the province as within territories. When the minister replies I would like him to say what has been done to remedy this situation and to protect as far as we possibly can these very interesting historical relics which are the heritage of the Canadian people and should be retained in Canada.

(Translation):

Mr. Fortin: Mr. Chairman, I have only a few words to say. A few years ago, a very cultured gentleman in my province, Mr. Gerard Morrissette, proceeded to make a complete inventory of the riches and invaluable treasures that were going to waste in the province.

In setting up a national museum, we must not overlook its French aspect, that is, we must attach great importance to the souvenirs and treasures still to be found in the province of Quebec, and which are surely valuable.

Therefore, I take the liberty of suggesting to the minister that, in every province of Canada a high official be instructed to make an inventory of those riches and treasures. This task could be entrusted to the curator of each provincial museum, who could at the same time assess their value. Some of those treasures could be given to the Ottawa national museum and would surely enrich it, because in many cases they are on the verge of being forgotten or lost. The situation is the same throughout Canada.

(Text):

Mr. Hamilton (Qu'Appelle): Mr. Chairman, in reply to the hon. member for Kootenay West I would like to inform him, because I know he is interested in this, that it is recognized I think all over the world that the finest display of west coast Indian relics is in the national museum here, and at the present time the museum is running in Stratford a big exhibit of the west coast Indians, in connection with the Stratford festival.

The hon. member also spoke of the air conditioning and I can assure him that is being remedied as fast as we can do it in reconstruction of the building. In connection with the Kootenay canoe, the Indians there were kind enough to build one for us so that we have a new Kootenay canoe now.

Mr. Herridge: Which Indians built that canoe?

Mr. Hamilton (Qu'Appelle): I will have to wait to get that information.

I should like now to deal with the other subject raised about archaeological site protection. This is a matter which some of us have been interested in for a good many years, and hon. members will remember the strong views which I expressed in the committee in this regard. The hon. member will also remember that one of the recommendations of the standing committee was that some action be taken. I think I have made it clear during the discussion of these estimates that every recommendation of the standing committee has been followed up and action of some sort taken.

I should now like to report to the committee the result of the action we have taken on the recommendation that the hon. member for Kootenay West just quoted. This deals with the promise I made that I would make a study of what was going on in the various provinces. In the national parks we have complete power to prohibit removal of these artifacts. In Indian reserves, under the Indian Act, we also have power to restrict the removal, acquisition of title and trespass. In the Yukon and Northwest Territories, under the amendment we have brought about in the last two years, we are required to obtain permission for control of the minister of northern affairs for their export.

Here is the report for the provinces. Newfoundland, no regulations. Nova Scotia, no regulations. Prince Edward Island, no regulations. New Brunswick, the historic sites protection act 1954, amended 1958. This regulates the designation of sites, issuance of permits and establishment of an advisory

board. Quebec, no regulations. Ontario, the archaeological and historic sites protection act 1953. The minister is to issue permits, require reports and specimens and set up a board. In Manitoba, the historic sites protection act 1954. This is modelled after the Ontario act. Saskatchewan, no regulations; but in view of the fact that a letter has gone out with the general suggestion that the provinces should do something to protect these sites, I think Saskatchewan is going to do something. Alberta, the provincial parks act 1955 provides for regulations in the provincial parks only. British Columbia, the archaeological and historic sites protection act 1960 provides for the minister to designate sites to purchase and/or protect sites and to issue permits. It also provides for penalties and the setting up of an advisory board.

I think the report I have just read to the committee illustrates that the value of the work members do in committee does have its effect, and that over the next two or three years more of the provinces will yield to this gentle pressure and set up protection for archaeological artifacts which exist in their province.

I am now informed that the Kootenay canoe which the hon. member was interested in was arranged by the Indian agent at Cranbrook, but I do not know the name of the band.

Mr. Herridge: That is the Kootenay tribe. I was afraid it might have been Eaton's.

Just before the vote passes I want to thank the minister for his explanation and to say that he was quite correct in mentioning the fact that it is the work of this committee and this report which I think spurred interest in the protection of archaeological discoveries.

I also want to make it quite clear that when I referred to the disintegration of the previous Kootenay canoes, I did not mean the staff; I meant on the part of those responsible for providing the air conditioning and the atmospheric conditions required to keep such things in perpetuity.

Mr. Fisher: I was very pleased to hear the accolade of the minister for the committee and I wish he was in a position to tell the committee who it was who wrote that particular recommendation.

I would like to ask the minister how much of this money is going to brighten up the museum and make it somewhat more attractive? I spent quite a few hours last year in the museum with my children, and in doing so I heard quite a number of comments from people going round. The kids are usually impressed with the exhibits but I often hear the comment from adults that the place tends to be gloomy and rather dry.

It does not provide many places where you can sit in comfort nor does it compare with the royal Ontario museum in that regard. If the minister is familiar with the latter he will know there are seats arranged near the best exhibits so that you can sit and enjoy them in comfort. What will be done to brighten up the building? I realize there are limits on what can be done with old buildings. The ground floor display could be improved. If I were from Alberta I would urge the minister to arrange to present the dinosaurs and other relics more impressively than they are presently arranged in that room. Some of the animal and mineral exhibits also should be given better treatment. What are the plans in that regard?

The minister wants to bring the attractions of the museum to the country through television. What contribution does it make in terms of travelling exhibits across the country? Are there plans to increase them? Last year I had the pleasure of seeing a group of students visit the royal Ontario museum in connection with some classes in history. The presence of the attractive exhibits breathed reality into their lessons.

The museum is limited by staff. Much of its material I understand is not on exhibit. What is planned in this respect for next year? This would be interesting news for the people of Ottawa and the country as a whole.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, what the hon. member has just said about making the presentation of natural or human history more dynamic and living is the same point of view I hold. I wish to present to the hon. member a concept of the extent to which the estimates this year attempt to achieve this end. I have in my hand a list of contracts that come under these votes.

A contract has been let covering the taxidermy for two large habitat groups representing the mountain sheep and the mountain lion. One has been let for the construction of four large fibre glass background shells for habitat groups of moose, antelope, mountain sheep and mountain lion. If the hon. member is familiar with the exhibits in the museum of natural history in New York he will know how effective these fibre glass background shells are in presenting exhibits.

Another has been let for the construction of three miniature dioramas of prehistoric life for the new hall of fossils. A contract has also been let for the construction of three miniature dioramas for the hall of geology. A further contract has been let for the painting of the backgrounds of the caribou, grizzly

bear and moose dioramas. A contract with another artist has been let for the painting of the backgrounds of the gannet and prairie water fowl dioramas. Another has been let for the preparation of accessories including artificial grass, leaves, flowers, etc., for four large dioramas.

I list these things because they indicate that we are putting into effect the very sort of thing the hon. member is asking for and which I heartily support.

Item agreed to.

Canadian government travel bureau—

303. To assist in promoting the tourist business in Canada including a grant of $5,000 to the Canadian tourist association, $2,687,178.

Mr. Chevrier: Mr. Chairman, this is a very important vote as I need hardly tell the minister and before it is passed perhaps there should be some statement from the hon. gentleman. I do not mean that he should make a long statement—

Some hon. Members: Hear, hear.

Mr. Chevrier: —and I say that with deference to him. Perhaps, however, the hon. gentleman could deal with European travellers, the extent to which the movement of tourists has been affected by exchange restrictions, United States travellers as tourists into Canada and what effect the reduction in the premium on the Canadian dollar has had. If he could make a short statement covering these points it would be of assistance to the committee.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, this is a subject which lends itself to extended statements but I shall confine myself to what I think are salient points. First of all the government recognizes as did the standing committee on mines, forests and waters, that a determined effort has to be made to increase the tourist business in Canada, not only with respect to the question of trade and commerce to reduce the adverse trade balance but also to ensure the recognition of this industry as a basic industry.

The first thing we did was to increase the amount of direct advertising in newspapers and magazines. This increase for the first time raises the amount of advertising slightly beyond what it was before. It is only fair to point out that the inflation in the advertising costs results in not very much over-all space increase.

Second, we have set up the office in Chicago. We had hoped to set one up in San Francisco as well but we had to live within the terms of our budget and make our contribution in that field. Therefore we were not able to get the office in San Francisco going.

[Mr. Hamilton (Qu'Appelle).]

I wish to briefly discuss with the committee something in which I know they will be interested. I refer to the relative merits of advertising over the establishment of offices and other techniques. I know that advertising is very effective in bringing in an increasing number of requests for information. I cannot deny that the effects of the advertising is being carefully evaluated year by year. Every step the advertising agencies can make to prove the effect of our advertising is being taken. However, we have no clear-cut way of evaluating the relative merits of advertising over other forms of inducing tourists to come to this country.

I hold in my hand a page out of a recent Sunday edition of the Chicago *Tribune*. Hon. members will be able to see that it contains three large beautifully coloured pictures taken along the Alaska highway and a map showing how the people of the United States can get to Alaska. How did this article happen to get into the Chicago *Tribune's* weekly supplement? The answer is that one of our staff working in the Chicago office became acquainted with members of the staff of the *Tribune* and I suppose through his enthusiasm and providing them with pictures was able to sell them the idea that their readers would be interested in knowing about the highway that runs into Alaska, the type of scenery that is found along the highway and how to get there. This illustrates one way in which the tourist offices can achieve results.

Third, I wish to mention that for a number of years we have carried out a special program of advertising in an effort to induce people on the eastern seaboard of the United States to go into the four Atlantic provinces. This inducement has been successful to a remarkable degree particularly in the provinces of New Brunswick and Nova Scotia which are not separated by water from the road system of the United States. This program has resulted in a sizeable increase each year in the tourist revenue of those provinces.

This brings to mind something I discussed with the standing committee and that is the need for a similar type of program of advertising with respect to the whole of Canada, centering the program around the fact that in every province the trans-Canada highway is completed or soon to be completed. Personally I should like to see a special campaign inaugurated that would point out to all Canadians the completed parts of the trans-Canada highway and the beautiful attractions that are found tributary to the highway.

Each province has a number of attractions that it would like to make known to all Canadians and tourists coming to this country from the United States. I therefore hope there

will be some agreement reached between the provinces and the federal government with respect to a special program of advertising emphasizing the trans-Canada highway linking Canada from east to west and associated with this campaign I hope, too, that the attractions in the northern parts of our provinces will be made known to the travellers along that highway.

I wish to put in a special plug, if I may, for the people at the end of the road to Yellowknife which will be opened this fall and on behalf of the people of Whitehorse where so much is being done to build up the tourist industry. It is not without interest that reports which have been made public recently about development of the north show that the report dealing with Alaska puts at the head of the list that the leading industry of Alaska in the near future will be the tourist industry. The Sandford report dealing with Saskatchewan also puts the tourist industry at a very high level.

I would suggest to the committee that the importance of this industry is being very widely accepted, and we have to draft plans that will help push this thing forward with the utmost efficiency. Therefore, I would like to complete that work by saying that I should like to see a program that makes Canadians aware of the trans-Canada facilities that are available nearby and particularly the attractions of the Northwest Territories and the Yukon, leading on to Alaska. If we do this I think there is a tremendous number of adventurous Americans who, when they realize there are good roads, good accommodation and tremendous scenic attractions at the end, will want to see their 49th state.

The final thing is this question of European tourist trade. In Europe today there is a relaxation of restrictions, particularly in the United Kingdom, which makes it possible for Canada to move into this market and see whether we cannot induce people to use the cheaper fares that now exist to come to Canada, just as Canadians are using those cheaper air fares to go to those countries of Europe this year. The director of the travel bureau is going to Europe to visit the high commissioner in London and various European countries to talk to their tourist officials to see whether there could not be a program worked out whereby we would in some measure begin to reverse the trend which has become apparent in the last few years of Canadians going to Europe. We do not want to stop that but we do want to try to get more Europeans to come to see Canada, and to make known what is available to them. I do not know whether this summary answers what the hon. member for Laurier has in mind.

Mr. Chevrier: I will not insist.

Mr. Fleming (Okanagan-Revelstoke): Mr. Chairman, I feel this is such an important subject that the views of hon. members should be heard. From his opening statement in introducing his estimates and from his statement in the committee of mines, forests and waters last year and from his statements outside the house, it is evident that the minister has a very keen appreciation of the value of the tourist industry and of the development of the industry in Canada. But this, I feel, is a commercial problem and the technique of dealing with it must be borrowed from the field of commerce and the practices of the market place must be common to all our thinking in endeavouring to develop effective means of drawing more business into Canada for the tourist industry.

I appreciate very much the fact that the minister is aware of the value and of the necessity of increasing the number of offices we have in the United States, in addition to an increase in the amount of advertising we do in that area, because advertising of itself is not enough. Even if we were to double our present budget, which I think we ought to do as quickly as possible, anyone in the field of commerce realizes that advertising alone is not enough to sell products; a sales force is essential to follow through on the effects achieved by the advertising program. Advertising softens up, but the sale is undertaken by personal contact. Therefore, a sales force and a travel office can be seen as a branch office of Canadian tourism in the United States, and the staff of those offices should be seen as a sales force for Canadian tourism. Unless the techniques of commercial salesmanship are used those offices are of no value whatever, or at least not the value that they might be.

The minister mentioned the photographs in the Chicago *Tribune* recently. I would hope that it is common practice of the staff of our travel offices in the United States to constantly endeavour to secure this kind of publicity. If they are not trying to do that they might as well be brought home and be replaced by people who are aware of the necessity of this type of salesmanship and will make it one of the first essentials of their approach to increasing our tourist trade.

I feel that the offices must be considered as sales offices. This is their primary and most important function. The people in those offices must be endeavouring to reach out to our customers, the tourists for Canada, the people of the United States, whether it be service clubs, fraternal organizations, associations of professional people, audiences of

Americans that may be reached through any media whatever, in co-operation with Canadian travel organizations, Canadian tourist organizations, Canadian organizations having to do with hotel accommodations, motel associations, Canadian restaurant associations. They must endeavour to sell the ideas of a packaged travel program to groups of people, by making arrangements to make travel in Canada attractive by providing easy and inexpensive opportunities for people to come to Canada, with the co-operation of all those groups in this country that are interested in providing for tourists.

What we want is an imaginative program. We want vigorous people, and they should realize one thing above all, that they are salesmen and they have to get out and reach the customer. They cannot sit in offices and wait for customers to come to them. As long as that concept is realized, then those offices that we have plus those that we add will be worth while. But unless that concept is to be used and put in practice throughout the United States—I hope in far more places than just the three offices, the two now established and the third one contemplated in San Francisco—we shall not be as successful in that effort as we should be. The committee on mines, forests and waters last year recommended Cleveland, Boston and other locations. If these offices are established, then we ought to make sure that the people who go into them have a very clear conception of what their responsibility will be and that they are going to the United States to sell Canadian tourism.

Further than that, the committee recommended last year—and I think the minister is very conscious of this requirement also—that the concept of the responsibility of the tourist bureau be enlarged to include the promotion, in co-operation with the provinces, of increased tourist travel by Canadians in Canada, because while the United States expenditure in Canada increased by $10 million over the previous year, the fact is that Canadians are spending half a billion dollars in foreign countries on travel while foreign visitors are spending $353 million, or thereabouts, in this country. That is not satisfactory.

The minister recognizes that and I believe in his recognition he must be supported by the government and by hon. members to see that the expansion that he has envisioned will come into being and come into being quickly. But particularly, I would suggest that in reviewing how we are going to take advantage of the expanded facilities that are provided we realize that this is a commercial problem; it is a selling problem and the only techniques that are going to be effective in any measure whatever are to see that the people we send into the field are salesmen and when they get there that they sell by every means possible and if they are not capable of doing it they should be brought home and replaced by others in Canada who are.

[Mr. Fleming (Okanagan-Revelstoke).]

Mr. Herridge: Just a few words—

Mr. Chevrier: Hear, hear.

Mr. Herridge: I think I have been very restrained, indeed, this afternoon and not as loquacious as the hon. member for Laurier on occasion.

The tourist industry is a matter of great importance to Canada and is increasing substantially in importance right across the country as people discover the garden of Eden in Canada.

I see, regardless of cuts in other respects, that the vote this year is $2,687,178, which is an increase over last year. I am very pleased to see this increase because I think it is a good investment in the circumstances.

The department is engaged in the function of answering inquiries, which is a very necessary one, in issuing publications and in advertising in various forms. I think these are all worth-while activities which have borne fruit in past years.

I think something more than that is required to achieve success so far as our tourist industry is concerned, namely co-operation with local organizations, with the people of the country, as it were, tourist bureaux, chambers of commerce, tourist camp operators, persons who cater to the tourist industry in various ways, and particularly those engaged on a somewhat smaller scale in the more remote places. You do not have to advertise to get people to go to Banff, Lake Louise and other internationally known resorts. As a result of my experience I find that an increasing number of people want to do two things. First, they want to go to our national parks and their remote and less developed areas. Second, they want to go to the smaller tourist camp operations in the remote areas away from the centres of civilization.

I should like to suggest three things before I sit down. First, it would be a good idea, and I make this suggestion with the best of intentions, for the travel bureau to keep in touch with the operators of smaller tourist camps throughout the country and get suggestions from them as to advertising and publicity and information as to the comments that are heard from tourists from other parts of Canada or from the United States or other countries as to what they enjoy, what they would prefer or what they miss and so on.

Second, I suggest it would be an excellent thing to keep these people, and I know a lot of them, well informed of the work of the bureau and supplied with information to keep them in touch with the industry in their own province and in the rest of Canada as far as possible.

As to my third suggestion, I find that generally speaking tourist camp operators are all in the same circumstances as the hon. member for Kootenay West, always short of funds. I know people with excellent sites and good fishing and that sort of thing and yet they lack the capital to expand their business to meet the opportunities today. I suggest that the minister bring that particularly to the attention of the Minister of Finance because in the last year or two I have had many complaints from persons operating small tourist camps against local banks because of their tight money policy, shall I say, although I do not really like the term. The banks do not seem to have much confidence in the development of our tourist industry. I know of one particular case in my constituency where the value of the operation to date is over $200,000 and the bank looked down its nose at a request for a loan of $5,000 over a period of a year in order to carry out certain developments.

I suggest that the government should include tourist camp operations within the ambit of the Industrial Development Bank Act or similar legislation. I have had this matter brought to my attention by a number of those in my constituency who are interested in the industry and by others in southeastern British Columbia. With these few remarks I will take my seat, I presume much to the satisfaction of the hon. member for Laurier.

Mr. Beech: Mr. Chairman, I wonder whether the minister has given consideration to inviting to Canada the American society of travel agents which holds a convention every year. The society is composed of members of the travel industry from all over the world and the convention is in great demand. If the minister could see his way clear to trying to bring the convention to Canada it would be a great help to the travel and tourist industry of Canada and as a result of the convention we would have many good will ambassadors in all corners of the world.

Item agreed to.

The Deputy Chairman: That completes the estimates of the Department of Northern Affairs and National Resources.

Mr. Hamilton (Qu'Appelle): I should like to thank hon. members for the kindness with which they have treated my estimates. I should also like to give the committee a bit of good news. I have had a wire from the Northwest Territories saying that four whooping cranes have been born with the result that the number of whooping cranes has now reached a total of 43 instead of 39 as I reported the other day.

DEPARTMENT OF SECRETARY OF STATE

383. Departmental administration, $311,264.

Mr. Balcer: May I call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Balcer: Mr. Chairman, first of all may I say that my remarks will be very brief. As hon. members know, in addition to the Department of Secretary of State, the minister is responsible for the department of public printing and stationery, which is a service department at the disposal of the departments and agencies of the federal government. He also acts as spokesman for the civil service commission and the chief electoral officer.

The committee will recall that last spring the standing committee on estimates presented a report concerning the Department of Secretary of State. Of the five recommendations that were then advanced, one, four and five, dealt with accounting matters which were brought to the attention of the secretary of the treasury board by my officials. The second recommendation was concerned with lessening the gap between the large expenditures on the printing of patents and the revenue from the sale of printed copies of patents. We have increased the sale price of these printed copies of patents to $1 per copy, and this was made effective on January 1, 1960. I might say that at the same time this change was instituted, there were further amendments made to the scale of fees by increasing certain fees and charges and instituting a new charge for services, all of which should result in some further increase in revenue.

There is also the problem of accommodation for the patent, trade mark and copyright offices. Hon. members will appreciate that the allocation of space is the responsibility of the Department of Public Works and that, consequently, the recommendations of the committee on this subject were brought to the attention of that department. May I remark in passing that when tabling the report of the royal commission on patents, copyright and industrial design, I stated, as reported in *Hansard* at page 2857:

Since this report contains matters of a highly technical nature, the government does not intend

to introduce the necessary legislation to bring a new act into force at the present session. We intend to give to all those who are interested time to study this report and submit their suggestions before introducing appropriate legislation at the next session of this parliament.

For the above mentioned reasons, may I say that the government is quite prepared to postpone, if necessary, the introduction of appropriate legislation.

May I add just a word concerning the civil service commission and remind hon. members that, as mentioned by the Prime Minister, the civil service bill will be left on the order paper. It will be introduced again at the next session of parliament and a committee will be set up for the purpose of going thoroughly into this matter.

I should like to remind the committee also that the house has passed an act respecting the enfranchisement of electors and the election of members of the House of Commons, after long and fruitful work by the standing committee on privileges and elections.

(Translation):

Mr. Chairman, as you can see, my remarks are rather brief. Since the Secretary of State Department is one of the oldest, most hon. members are quite familiar with all its branches. I am sure, therefore, that all explanations I might give at this time would be superfluous.

I therefore leave it up to hon. members and suggest they concentrate their questions on a particular item and when that item comes up, I shall be very pleased to answer their questions.

(Text):

Mr. Richard (Ottawa East): Mr. Chairman, I thank the Acting Secretary of State for his brief statement. I must take this opportunity to state it is unfortunate the government has not seen fit to name a full-time secretary of state for the duration of their term of office instead of keeping the present incumbent in an acting capacity.

Mr. Brunsden: He is acting very well, too.

Mr. Richard (Ottawa East): You were acting very well, too, up to the present.

As I was saying it is much better for the department itself to have a minister on a full-time basis. I know that the Acting Secretary of State is doing his best, but he also has the responsibility and duties of the Solicitor General. He is subject to a decision from day to day by the Prime Minister who might select another secretary of state. I am not saying this in order to play politics because I am interested particularly in this department which affects so many working branches of the government in which a full-time minister could take an interest and render a great service. I express the hope that at an early date the government will see fit to designate a full-time secretary of state who will occupy that office for as long as this government is in power. What I am saying should not be considered to be any reflection on the present incumbent. So far as I am concerned, it does not matter very much if he occupies the post or someone else does. I am quite pleased with the manner in which he has carried out his functions so far.

I do not intend to say anything about the civil service commission this evening. I feel there is a very good reason why we should not say too much about this. The minister has already indicated that at the next session we will have an opportunity of discussing a new civil service act. It is unfortunate, once again, that although this legislation was forecast in the speech from the throne, we did not get this committee started in the early days of the session. I am sure, however, the government will have no reason for not establishing this committee at the earliest possible date next session.

I am particularly interested, Mr. Chairman, in the report of the royal commission on patents, industrial design and copyright. The minister did make a statement a while ago as to the report on patents which was presented last year. There was also the report on copyright which was presented in 1957 and the report on industrial design which was presented in 1958.

To go backwards, I start with patents. I understand that at this time we cannot hope to change the patent law; nor do I expect that this government or any other government at the next session, in accordance with the report of the royal commission, could produce a Patent Act which would be satisfactory even to any hopeful beginner in patent law. I do not expect action. I am reasonable about this matter. But I expect that the government will listen to representations from various groups and interested parties and will give an opportunity to a committee, perhaps at the next session or a subsequent one, namely a joint committee of the Senate and the House of Commons.

If my memory serves me rightly, I think it was in 1935 that a joint committee of the Senate and House of Commons made a general study of the Patent Act. That procedure worked out well. In studying the project of a new Patent Act or a new patent law, if such a thing is in the mind of the government, after representations have been made I hope that any new legislation will be

submitted to a joint committee of the Senate and the House of Commons, which committee I think should formulate a law as to patents which will last for at least some time.

We have had a great many changes in legislation as to patents and trade marks in the past 25 years. In a small country like Canada it is really an extravagance to have what is going on at the present time. I am a practising lawyer and I have never been able to catch up with the changes. It took me some time to learn something about the 1935 Patent Act. We have had many amendments since then and it is now suggested that we should have a new patent law. We had a Trade Marks Act which was revised only a few years ago. Now there are suggestions to be made about designs.

I think that any steps which should be taken in the future should be constructive ones. I hope the government will take its time so that any law which we adopt will be a more or less permanent institution. This country cannot afford to change its law on trade marks, industrial design, and patents every 25 years.

However, I would point out that in the case of the copyright law this report was submitted two years ago. The Copyright Act is one that has not changed over the years and it requires real revision and real amendment. I would suggest to the government that it immediately institute some study with regard to the copyright law. I urge the minister, through his officials and interested parties, to seek to draft a proposed copyright law so that at the earliest opportunity parliament may consider it. As to the copyright law, there are many facets which are undesirable. In connection with any of these laws may I say this, and it will appeal to the government; it appeals to many of us and it appeals to the government, apparently. In connection with these laws it is time for us to look after interests of Canadians. We always speak about looking after the interest of Canadians. In patent matters, industrial design matters and copyright matters, while we should respect as much as possible international agreements, we should first consider Canadian interests.

One does not need to be a student of statistics to understand the present situation. One can look at the grants of patents, for example, and it will be seen that a small proportion of them are granted to Canadians. I think the figure is 1,506 out of a total of about 24,000, which is a small proportion while the United States proportion is 64 per cent as against 6 per cent Canadian and 10 per cent in the United Kingdom. Therefore in drafting laws of that kind in the future, we should be extremely careful to see to it that we protect the interests of Canadians and also that we are not merely passing laws to help people who are foreign to this country, although they are our friends, providing patent protection which may be of some use to them but which is detrimental to us.

By that I am not saying that the Patent Act as it stands now is detrimental to the Canadian people. However, I say that there are some aspects of the law which are not helpful to Canadians. They create a sort of tariff bar against Canadians. Our law does not protect Canadians as it should. When this matter comes up for consideration on another occasion I should be glad to express my views on it. However, I urge the government to go carefully about redrafting the Patent Act and to consult not just one group but all the interested parties who may want to make submissions, even though we have a report from a royal commission. A report from a royal commission may be a fine guide but I still think that the government and the members of this house must take responsibility for passing legislation which will be of the greatest benefit to the people of this country.

In connection with this matter I was going to say that while we have a technical report from the royal commission on patents, copyright and industrial designs, their field did not cover administration. I come back to this matter before this committee because I think it is the government's responsibility to seek some better way in which to administer these three branches of the Department of Secretary of State. At some time I am sure a government will decide that there should be a head over these three departments who will have the rank of deputy minister. At the present time we have branches under the secretary of state such as the Queen's printer who has the rank of deputy minister. We have the chief electoral officer and we have others such as the dominion archivist. But in the case of patents, trade marks and designs, these men do not hold office with the rank of deputy minister. They are under the undersecretary of state. While that situation is all very well, I do not think this important branch should be without its own head reporting directly to the minister.

I urge the government to consider this suggestion because this was not a matter for the royal commission to consider. I think the government will be instituting an important advance in the interest of the department of patents, trade marks and copyright if it would establish such a department under such a head. I think the Prime Minister will agree with me that matters arising under the patent law, the trade mark law and the

copyright law require a head who will understand and be responsible for these acts. I know that is the feeling of solicitors and counsel who act before the department. They feel there should be one head over this department, with a director for each branch. This is a suggestion I make to the secretary of state and I hope it will be given further consideration in the near future.

I know that the question of a building for the patent office, the trade mark office and the copyright office is not exactly within the purview of the secretary of state. However, this is an opportunity to tell the Prime Minister and the Minister of Public Works at the same time that it is not satisfactory to go to these departments in No. 8 building, that wooden building out at the farm. It would do some of the members of the government good, in connection with some duties relating to patents or trade marks, to go running around the halls in No. 8 building, in order to find out how difficult the problem is. These are departments to which the public has access all the time and in which business is being carried on for the public in various parts of the country. I feel that a building should be provided as soon as possible in the vicinity of the parliament buildings—for example, on Sussex street near the research council—where all the offices of the patents, trade marks and copyright divisions would be concentrated. I will reserve any further remarks to the separate items.

Mr. Argue: I have a few brief remarks I should like to make at this time. I do not think any of us are ready to complain about the person holding the office of Acting Secretary of State, but I do want to say, particularly since the Prime Minister is in the committee, that it would seem to me it is a mistake to keep a minister in an acting position on almost an indefinite basis. I would suggest to the Prime Minister that it might be very much in order for him either to appoint the present person as a permanent minister as ministers go and remove him from the necessity of acting as the Acting Secretary of State—

Mr. Brunsden: Are you not in that category?

Mr. Argue: Yes, I am, but that does not mean I necessarily agree that it should be on a permanent or semi-permanent basis.

Mr. Chown: It will not be long before you achieve that.

Mr. Argue: I am not going to make any forecasts. Time will decide these things. I notice the Prime Minister smiling, and he was smiling some time ago as soon as I started to say this and I expected he would.

[Mr. Richard (Ottawa East).]

But I do feel that since the Prime Minister is in a position to do something about it it would be a very good thing to have a regular secretary of state instead of a genial and competent Acting Secretary of State on what appears to be a rather permanent basis.

The Ilsley royal commission was asked to inquire into the whole question of patents, copyrights and trade marks and these reports have now been made to the government. I would hope that appropriate action can be taken at an early date. It is a long time since I have said anything in this house on the question of patents, but I do feel that patents in the past have been used as a method of obtaining artificially high prices; that they have been used to maintain a monopoly position in many instances; that they have been used to prevent competition; and that they have been a very heavy burden on the general public.

The purpose of that inquiry, I take it, was to revise the Patent Act and these other acts so as to make competition more effective in the hope that prices of important commodities might be brought down. It has been suggested in the report of the commission that patents on food, drugs, surgical and therapeutic devices have been used in such a way as to maintain unnecessarily high prices in these fields. I realize that many submissions have been made to the government following the publication of these reports. The government wants to consider these submissions but I would hope that at the next session of parliament appropriate action can be taken in these fields.

There is one other item to which I wish to refer and that is with regard to the work of the civil service commission in filling the vacancies in various departments. I have in my hand a very voluminous report which was tabled in this house as the result of questions which I had placed on the order paper. These questions were as follows: How many resignations have been received in each government department or crown corporation in each month in each year since January 1, 1957, from (a) professional personnel (b) administrative officers? Second, I asked: How many vacancies presently exist in each government department or crown corporation for positions to be filled by (a) professional personnel (b) administrative officers?

Now the report has been tabled in the house, and in the Department of Agriculture within this period, in the professional category there were 336 and there are still 194 vacancies. In the Department of Justice, 43 resignations, 21 vacancies still existing. In the

Department of Mines and Technical Surveys 92 resignations, 47 vacancies. In the Department of National Defence, 193 resignations, 119 vacancies. Department of National Health and Welfare, 704 resignations, 110 vacancies. Department of National Revenue, 413 resignations, 278 vacancies. Department of Northern Affairs and National Resources, 60 resignations, 25 vacancies. Department of Public Works, 71 resignations, 63 vacancies. Department of Transport, 111 resignations, 135 vacancies. Department of Veterans Affairs, 854 resignations, 223 vacancies.

Mr. Chairman, the return is not complete in that every department does not provide information as to the length of time these various vacancies have been in existence; but in looking over the information that has been given it would seem to me that there are hundreds of vacancies in the government service which have been in existence for many months.

I would ask the Acting Secretary of State to comment on why there has been such delay and apparently such difficulty in filling so many of these posts. I would think from looking over the return that perhaps the salaries which are provided in Canada for technical and professional personnel are inadequate and should be increased. It would seem to me that it must detract from the efficiency of the public service to have this very large number of vacancies apparently so difficult to fill. I would hope that speedy attention is being given to this problem. I feel that in a country like ours providing adequate and competent personnel for government departments is very essential and that these vacancies should not exist over a long period of time.

I would ask the Acting Secretary of State to give the committee any information he can as to why there are so many vacancies in existence, why apparently it has taken so long to fill them, and to say what action the government is taking or has under consideration in order to attract into the public service adequate numbers of competent and well-trained men and women.

Mr. Brunsden: Would the hon. member permit a question. Has he noted any diminution in the public service of Canada as a result of these vacancies?

Mr. Argue: I am afraid there is evidence that the efficiency of the public service is suffering because of these many vacancies. Otherwise the government should not be advertising for people. Surely they do not want to waste money. The government must feel that technical officers, nurses in the Department of National Health and Welfare, chemists and botanists and field husbandry and animal husbandry people are important to the Department of Agriculture. These vacancies have existed on a long term basis and I think the public service is suffering.

Mr. Valade: Mr. Chairman, would the gentlemen permit a question. The hon. member for Assiniboia said that the granting of patents on medicines has caused an increase in prices. Since I doubt that, could the hon. gentleman illustrate his point by offering a few examples?

Mr. Argue: No, I am not able to at this time. I have referred to some of the statements contained in the report of the royal commission. That, to me, is very weighty evidence that it is a fact.

Mr. Valade: It has not been proved.

(Translation):

Mr. Pigeon: Mr. Chairman, I do not want to hold up the estimates of the Acting Secretary of State (Mr. Balcer), but I just want to say a few words.

I realize that earnest and sincere efforts have been made in the last three years to make Canada as a whole, and more particularly the Canadian administration, not only bilingual, but also bicultural. A striking proof of this is the simultaneous interpretation system which has been wanted by the Prime Minister (Mr. Diefenbaker) himself.

But as the federal administration cannot be bicultural unless it is perfectly bilingual, it is impossible not to discuss the problem of translation, a field which comes under the secretary of state.

I often complained, both in and outside the house, of the fact that not all documents, even sessional papers, reach hon. members in the French version at the same time as does the English version.

The secretary of state answered an earlier question of mine in this regard by telling me that our translators are remarkably able and quick at their task but that they are overworked. Quite obviously there should be considerably more of them. It is likewise obvious that they ought to be better paid, in the first place because they deserve it by reason of the excellence of their work and also—and this is perhaps rather more serious than it seems—because if our translators are paid more in accordance with their worth, many officials for whom and with whom they work will have much more regard for them. Those officials will look upon translators as fellow workers not merely as a necessary evil. In drafting a report, for instance, consideration could be given to the fact that the report is to be published at the

same time in French as in English. There would be no waiting until an hour before a document has to be tabled to realize that it should be tabled simultaneously in both the official languages of the country.

I have heard all kinds of complaints about the way the translation service is organized. No one questions the high intellectual qualifications of the heads of that service, but there are many who question their sense of organization.

I wonder if it might not be advisable to appoint, under the superintendent of translations, a manager, or whatever title might be given to the appointee, who would see that the services of better paid and more numerous translators are put to the best, most effective and most economical use in all respects.

Mr. Bourque: Mr. Chairman, at the outset of my remarks, I wish to commend the Acting Secretary of State on the occasion of the appointment, as printer to Her Majesty the Queen, of Roger Duhamel, a newspaperman with extensive experience and a man who is very highly regarded in leading literary circles of the province of Quebec. It is an excellent appointment, and a wise choice. It gives me pleasure to commend the government for selecting a man of that calibre to fill this important post.

I am confident that the new Queen's printer will enjoy the respect and admiration of his entire staff.

The appointee is an upright, highly regarded man, a distinguished newspaperman who has written for many periodicals, an author with several works to his credit, and I feel sure that his appointment will be welcomed by every political party in this house.

(Text):

I have many questions to ask concerning the administration of the printing bureau. I was inspired to ask these questions after reading an address given to the employing printers' association of Montreal on June 8, 1960 by David MacLellan, general manager of E.P.A. and of the graphic arts industries association, a national body embracing all employing printers' organizations from coast to coast, entitled, "Printing—Canada's Biggest Employer in Manufacturing and How the Industry is Taxed, Trammelled and Trimmed".

As the new Queen's printer has just taken up his new post no doubt he will find it interesting to listen to these questions. My questions will bear mostly on a comparison of the cost system of the government printing bureau with that of other firms in the printing industry. I do not know whether the minister would like to listen to these questions now or if he would prefer to listen to them when the estimates for the printing bureau are before us.

Mr. Balcer: I wonder if the hon. member would mind if I answered his question at the time when the vote with respect to the printing bureau is before us.

Mr. Bourque: Providing I have the minister's assurance that my questions will be taken up when the estimate for the printing bureau is before us I shall be glad to defer them until that time.

I have another matter to bring up bearing on the civil service commission. I refer to the case of Mrs. Catherine Ann Meredith, a lady who has been in the employ of the government for 14½ years and who would have been entitled to a pension within the next six or eight months, but who was informed that her services would end within a month. I think this is a great injustice. I have all the facts before me and would like to take up the case. I will be satisfied to defer this matter until the estimate concerning the civil service commission is before us if the minister will assure me that he will answer my question at that time.

Mr. Balcer: I glady give the hon. member that assurance, Mr. Chairman.

Item agreed to.

385. Trade marks division, including a contribution to the international office for the protection of industrial property, $199,906.

Mr. Richard (Ottawa East): Mr. Chairman, this is one of the paying branches of the department. I should like the minister to tell me what is the salary of the registrar of trade marks and if there has been any increase?

Mr. Balcer: It has been the same salary for the last year and a half, $10,000.

Mr. Richard (Ottawa East): Can the minister give an indication whether it will be increased?

Mr. Balcer: I understand that this position is in a group that will be considered very shortly. We should be in position to correct this situation within a short time. I cannot say exactly how long it will be before there is a correction.

Item agreed to.

386. Bureau for translations, $1,639,678.

(Translation):

Mr. Boulanger: Mr. Chairman, I note that this item involves an increase of $40,303, which will allow the bureau for translations to hire five more persons.

I wonder whether the number of translators is adequate to give us the service we are entitled to expect with regard to the translation of some reports.

I have noted, this year, that the French version of the Canada Year Book has been distributed six months after the English publication. The same goes for several other reports. In fact, committee reports often reach us several days, and even several weeks, after the English version has been published.

With regard to the Atlas of Canada, which was published last year, I believe the French edition came out a year after the English edition and, if I am not mistaken, the French version is out of print.

I have no doubt that our translators are efficient workers, nor do I doubt that their output is as high as it can be. That is why I say that last year, especially towards the end of the session, the health of several translators broke down. One of them suffered a stroke, and I understand that this year again some of the translators have been ordered to take a rest cure.

Therefore, could the Acting Secretary of State (Mr. Balcer) give us the assurance that we will have the French translation of the documents I have just referred to, as well as that of many others, fairly soon after the publication of the English version, especially as far as the proceedings of the committees of the House of Commons are concerned?

Mr. Balcer: Mr. Chairman, I should like to reply to the hon. member for Drummond-Arthabaska (Mr. Boulanger), and to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), who both dealt with the bureau for translations.

I take this opportunity to tell the house how fortunate our government and country are in having such devoted civil servants, who perform a task that is often very thankless, the translator's role being extremely important and his work most difficult.

There is no doubt that there have been regrettable delays. However, I do not think these are merely due to an inadequate number of translators on the staff, because the production of some translations is less dependent on the number of people available to do a particular job than on the division which handles it. As we know, during the session a group of excellent translators is responsible for translating all the debates in the house. This work is done under pressure, and the result is that there may be delays in other services.

The hon. member for Joliette-L'Assomption-Montcalm suggested a moment ago that we appoint a manager of the bureau for translations. It gives me pleasure to report to the house that we have precisely made such an appointment. Mr. Henriot Mayer has been appointed manager of the bureau for translations. His job will be to keep in touch with the various departments, so that the latter may supply the bureau for translations will all manuscripts and documents as soon as they are available. It has happened, in some cases, that a book was completely printed before it was sent to the translation service; I therefore think there is a certain amount of education to be done in some departments, it is to get them into the habit of sending their manuscripts to the translation service as soon as available so that both versions may be published at the same time.

Mr. Pigeon: Hear, hear.

Mr. Richard (Ottawa East): Mr. Chairman, I want to tell the Acting Secretary of State that I am very happy to hear the good news he just announced; however, I disagree with him when he says that the present number of translators is adequate.

The appointment of a manager for the bureau for translations is a step in the right direction, but I believe that translators now employed by the department are handling more work than they can fairly be expected to handle. The new manager of the bureau for translations will possibly agree, with the least bit of encourgagement from the Acting Secretary of State and those who are familiar with prevailing conditions, that the number of translators might be substantially increased. I believe it is unfair to demand from translators the amount of work that has been demanded from them for a number of years when they have to work outside normal hours. In all positions in the civil service employees are expected to turn out an average amount of work. Now in the case of translators, or at least of a great number of them, the maximum output is demanded, and when it is a matter of translating a technical paper or professional document it is somewhat difficult to demand of those people that they work without respite, particularly under the pressure of circumstance.

Consequently, I ask the secretary of state and his new manager of the bureau for

translations to consider the situation and determine whether the present number of translators is really adequate.

Mr. Balcer: Mr. Chairman, I would not like to give the house a wrong impression. I have no doubt that, if the number of translators can be increased, work will be better distributed and the service will be improved accordingly.

The remarks just made by the hon. member for Ottawa East will be given serious consideration.

(Text):

Item agreed to.

Office of the chief electoral officer—

45. Salaries and expenses of office, $76,925.

Mr. Richard (Ottawa East): Are the positions of the chief electoral officer and the commissioner of patents being considered for increases?

Mr. Balcer: I am very pleased to say that the new act which was passed just recently increased the salary of the chief electoral officer substantially.

Mr. Richard (Ottawa East): What about the commissioner of patents? Is he included with the registrar of trade-marks in the group that is being increased?

Mr. Balcer: I will have to check this when the civil service commission item is before us.

Item agreed to.

Civil service commission—

65. Salaries and contingencies of the commission including compensation in accordance with the suggestion award plan of the public service of Canada, $3,853,967.

Mr. Bourque: Mr. Chairman, I should like to bring the case of Catherine Ann Meredith to the attention of the Acting Secretary of State. I read from a letter received from Letourneau, Quinlan, Forest, Emery, Raymond & Bouchard, barristers and solicitors:

Our client, after 15 years in the civil service, is being arbitrarily dismissed despite the fact of an excellent record, as attested by the copy of letter enclosed from D. R. Campbell, Esq., director of civilian personnel (navy) dated as late as December 15, 1959. Mrs. Meredith also has excellent references from the first administrative officer, Lieutenant Commander Thomas, R.C.N., retired, as well as the supervisor at Saint John, N.B., in the Department of National Revenue where our client was employed previous to coming to Montreal, in 1953.

In the circumstances, it would certainly be a shame to deprive our client of the pension which she has earned by good and faithful service over all these years, which retirement pension will become due in November, 1961.

I have a copy of a letter written to Captain J. S. Somers, R.C.N., principal naval overseer, Montreal area, dated June 23, 1960.

[Mr. Richard (Ottawa East).]

It is from the same lawyers. I will not read the whole letter but just some parts of it:

We note that after some 15 years of valuable experience and excellent record in the Department of National Defence, you give her less than one week, to wit: until the 27th of June, to optate for four months retiring leave beginning on August 1 and terminating on November 30, 1960 or three months cash gratuity payable on separation after November 30, 1960. From the information contained in our file, it clearly appears that our client has enjoyed an excellent record up to and including December 15, 1959, as attested by the photostatic copy of letter addressed to our client from D. R. Campbell, Esq., for the director of civilian personnel (navy).

Our client would be entitled in the normal course of events to receive her pension in the month of November, 1961. She was with the Department of National Revenue in Saint John, N.B., from the year 1945 until the year 1953. She has been in her present location with the civil service since the year 1953, adjacent to the Canadian Vickers Limited, but not connected with the latter...

Apparently, from the information contained in our file, you have sent the above letter basing yourself on article 13.02 in the civilian personnel administration and accounting manual, subsection 1 (d), which provides:

"Any employee who has attained the age of 60 years but who has not attained the age of 64 years and 6 months may be retired for reasons of age, in unusual cases where continued employment involves a serious problem."

Then there are certain matters mentioned which are not relevant. I continue:

We cannot see how these incidents could by any stretch of imagination be construed as serious problems, more particularly in view of our client's record with the department over many years.

In view of the foregoing, we do believe that it is only fair, equitable and just that our client be kept on by the department until she has reached her normal retirement age next year and be given when she is retired in November, 1961, the pension she has earned by her excellent record as any civil servant has the right to expect and get.

In view of the very short notice given, we must ask you without delay to explain the option which you set forth in your above mentioned letter, which our client does not understand.

Again, there is another letter written to me by the same firm of lawyers under date of June 30, 1960, which reads in part as follows:

I can only repeat that it does seem a shame that Captain Somers sees fit to dismiss Mrs. Meredith after all these years of good and faithful service to the Department of National Revenue and to the Department of National Defence. Especially, when she will be in the normal course of events coming of age to receive her pension next year.

In the circumstances, it seems to me that the least that they could do would be to transfer her to another department until such time as her time for pension has elapsed.

I will now read a letter from H. Thomas, lieutenant-commander (E), R.C.N., retired, no date.

I have been requested to supply a reference to the above mentioned person dealing with her duties during the period of my appointment as staff officer on the staff of the principal naval overseer, Montreal.

I will pass over some matters that are not relevant.

Mrs. Ann Meredith joined the staff in October, 1953, as a typist. Having regard to her experience and the duties required she was employed as a clerk. She worked well, with initiative and loyalty. At that time, in the circumstances, her work was invaluable. She has one highly valuable quality that fits in a technical activity—she can and does follow instructions from appropriate authority implicitly.

Observing that clerical staff can never fully understand the technical details involved, this attitude is reassuring to the responsible officer. He knows that his instructions will be carried out as required.

I also have a letter dated July 28, 1953, written by R. G. McKenna, reading as follows:

To whom it may concern:

Mrs. Catherine A. Meredith has been employed in the income tax office in Saint John, N.B., for a period of eight years. During this period she has been employed in the accounts-collections section, performing various clerical duties as well as being employed as a stenographer and typist. Her work has always proven to be very satisfactory.

I have been personally acquainted with Mrs. Meredith since July, 1951, at which time I took over the supervision of the section in which she is employed. I have found her to be a very conscientious, capable and dependable employee and believe that she will be very satisfactory. She has demonstrated that she has a considerable amount of initiative and has readily adapted herself to various new duties which she has been called upon to perform.

Then a further letter dated December 15, 1959, from D. R. Campbell for the director of civilian personnel (navy) which reads as follows:

Mr. Sharpe has requested that I forward a personal note to you expressing his regret that the authorities concerned have not found it possible to amend the civilian complement of P.N.O., Montreal, as discussed with you in his office on December 7.

In so far as your own position is concerned, the duties and responsibilities are considered to be consistent with the present classification, clerk 2. The reclassification of the other position to clerk 4 has been found to be unjustified.

It is suggested that you continue to avail yourself of every possible opportunity to enter promotional competitions in the Montreal area. By so doing it seems likely that, in due course, your valuable experience and excellent record in this department will be properly recognized and your advancement to more responsible duties will follow.

Then there is a further letter dated June 21, 1960, from J. S. Somers, captain, R.C.N., which reads as follows:

Dear Madam:

Mrs. Catherine Ann Meredith
N.D.—P.N.O. 72—Clerk 2
P.N.O. Montreal

I am advised by the area civilian personnel officer that records on hand in his office indicate that you have to your credit six and a half days annual leave to which you are entitled upon separating from the service. Consequently, in order to liquidate this annual leave, you will cease active duty in this office at noon hour, 21 July, 1960.

Under existing regulations and in view of your length of service, you have an option to choose either of the following:

(a) 4 months retiring leave beginning on 1 August and terminating on 30 November, 1960, or

(b) 3 months cash gratuity payable on separation after 30 November, 1960.

Observing that prior approval must be obtained from the naval secretary for either retiring leave or cash gratuity, you are hereby requested to inform me in writing of your decision before 27 June, 1960.

I believe that in the normal course of events a person who has worked 14½ years for the civil service would naturally expect to receive a pension at the age of 60. This lady had worked for some 14½ years and just at the time when she is looking forward to retirement on a satisfactory pension she is thanked for her services and let go. She seems to have a perfect record but after all these years she is fired from her position and asked to take some examination to see if she can qualify for some other position. If she has served the government well for 14½ years I think the government should know whether she is qualified and whether she should get a pension. To say to her after all these years and just about the time she would have been eligible for a pension "We are going to let you go" seems to me to indicate that the government is trying to get away from some responsibility. They put this lady out of a job with no future in front of her on a mere whim just because they do not want to pay a pension. I should like to hear what the minister has to say about the matter.

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

Mr. Bourque: Certainly.

Mr. Brunsden: In one of the earlier letters which the hon. member quoted there was reference to some relationship between Mrs. Meredith and Vickers. Would he explain that?

Mr. Bourque: I could not say positively, but I believe the government has employees whom they send—they may send a clerk from here—to a place where they are building a ship. This person may look after their interests at the place where the ship is being built. This lady was evidently sent there for the government, and I assume was working for the government at Vickers.

Mr. Balcer: I was very interested in listening to the hon. member for Outremont-St. Jean, and his full explanation of this case. I would say that he appears to be on fairly sound ground in his argument. Unfortunately, in so far as the civil service commission is

concerned, this particular case does not come under their jurisdiction because all that the civil service commission is asked to do in a case like this is to concur in the decision taken under the provisions of the superannuation act. Unfortunately, there is no appeal. However, I can assure the hon. member that I will take up this case with the proper authorities, and we will try to find a way out of the problem.

Mr. Bourque: May I ask the minister if we are to understand that a civil servant has no more protection than that? He can work at a job for 15 or 16 years, and then be summarily dismissed for no reason whatever, just about the time he is coming into his pension? Is this the only guarantee we offer the civil servants of Canada?

Mr. Balcer: Unfortunately, we have not got the details with respect to the decision taken by the department. There must be some reason behind their decision because according to the superannuation act there is no doubt that this person is entitled to a pension. There must be some other reason, and I can assure the hon. member that we will make the proper inquiry into the matter.

Mr. Bourque: May I leave it in the minister's hands on the understanding that he will look into the situation, because this lady should have an answer. She should know why she was dismissed.

Mr. Balcer: I will be pleased to do so. If the hon. member had communicated with me directly I would have taken up the matter directly with the civil service commission and the other authorities. This is the first time I have heard about the case.

Mr. Bourque: Possibly the minister's advisers could tell him because no doubt the civil servants of Canada will think their position is not very sound if this can happen to anyone, and they have to have recourse to a member to bring up their cases. They seem to have been fighting this case for the last six or eight months.

(Translation):

Mr. Valade: Mr. Chairman, I should like to take a few moments of the committee's time to point out to the Acting Secretary of State a disparity between the salaries provided for some classifications and the functions those employees have to perform.

For instance, I refer to the salary scale paid certain professional classes, among others, doctors, economists, stenographers and chemists.

These are approximate figures. For instance, doctors are offered a salary of approximately $10,000 for their services.

[Mr. Balcer.]

With regard to economists, the salary offered them varies between $8,000 and $9,000; stenographers get about $6,000, whereas pharmacists are only offered some $4,500 for their professional services.

May I, Mr. Chairman, in this matter, call the minister's attention to page 38 of the civil service commission report which was published in Ottawa in December 1958, page 38 of the English text. I do not have the French version here; may I therefore quote the English text:

(Text):

4013 (ACT)

The establishment of grade levels in any class shall, within the limits set by the nature of the work to be performed, be such as to provide for a career pattern.

4014 (REG)

The commission may revise the classification or grade of any position to provide for an unusual degree of competence demonstrated by the incumbent.

(Translation):

Mr. Chairman, I hope that the Acting Secretary of State will give my remarks some favourable attention to the effect of considering the professional services of pharmacists, in the civil service; thus, I would ask him to see whether it would not be possible to increase their salaries so as to put them in line with their functions in the federal administration.

Mr. Chairman, with regard to another matter, I wish the minister would take the necessary steps to change the method of interdepartmental promotion through competition.

We know it is customary in the civil service, to have inter-service competitions for the promotion of an employee to another post; that was done in a somewhat unorthodox manner until the Conservative party took over.

May I be allowed to mention, among others, the fact that under Liberal administration, certain practices or certain undue influences were resorted to, in order to have a personal friend promoted within the civil service; thus, a special competition was prepared to give him a particular promotion in the civil service. As a matter of fact, I received some time ago a communication in this respect from an employee who had been appointed to the ordnance depot in Montreal by the former administration. Now, this gentleman, who allowed me to reveal his name here, informed me of the method used by the former administration for the purpose of promoting one of their friends. The case is that of Mr. Henry Sibley, of 7286 Musset street, Ville St. Michel, Montreal.

When a competition was advertised in the department, Mr. Sibley was approached by an official of that administration who is then supposed to have given him all the information and all the answers to the questions which were to be asked at the competition in order to allow him to get the position applied for.

Afterwards, that gentleman, wishing to be promoted, had been assured that he would be rendered the same service. Unfortunately, the necessary information could not be given, because the person who was supposed to provide it had been transferred to another department; and that gentleman could not know in advance the answers to the questions which were to be asked to those interested in taking part in the competition.

There, Mr. Chairman, you have an instance of an abject procedure which was in use and had even become prevalent under the former administration.

I am sure that the acting minister will consider it a duty to correct such an anomaly which involves an injustice towards all those who work in the civil service.

Now, Mr. Chairman, I know that bilingualism in the civil service has made great strides. And I am happy to commend the minister (Mr. Balcer) for his constant efforts to protect and emphasize the necessity of bilingualism in the federal administration.

However, I should like to call the minister's attention to the fact that a short time ago I phoned the civil service commission here in Ottawa to ask information about summer jobs for university students, and I unfortunately noted that there was no bilingual employee there to reply to the questions I wanted to ask.

I have here the name of the person concerned and the date of that occurrence and I am sure that the minister will consider it a duty and a pleasure to meet our requests.

Once again, I take this opportunity, Mr. Chairman, to congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) and the minister for their constant efforts to establish a perfect bilingual system in the civil service.

Mr. Caron: Mr. Chairman, I had thought we would pass the estimates of the civil service commission rather quickly, considering that this is the first time the minister has introduced his departmental estimates and that a commitee is to be set up next year to consider the new civil service act.

However, having heard the hon. member for St. Mary (Mr. Valade) lay a serious charge and mention a name, that of Mr. Henry Sibley, I think the minister now has a duty to make a thorough investigation of the case. He can no longer ignore it. The hon. member for St. Mary has laid a charge which may be based just on hearsay. As we know, he always likes to rise and throw charges around. Now that it is done—

Mr. Valade: On a question of privilege—

Mr. Caron: —we demand that—

Mr. Valade: I rise on a question of privilege. The member for Hull has just stated that I have laid charges. I laid no charges, but I laid down definite facts on the complaint referred to me.

Mr. Caron: The hon. member is trying to start a debate; it is not a point of privilege.

Mr. Chairman: Order.

Some hon. Members: Are you the authority on questions of privilege?

Mr. Caron: Questions of privilege are clearly set out in the standing orders.

Mr. Valade: He is afraid of mosquitoes.

Mr. Caron: Mr. Chairman, I was saying that, in view of the serious charge laid by the hon. member for St. Mary, the minister has a duty to direct the civil service commission to investigate. Names have been mentioned, and it is claimed that examination questions and answers were supplied in advance to one of the examinees.

That is one of the most serious charges ever laid against the civil service commission. I think the members of the civil service commission have always been honourable people. If any one of them had committed such an action, he would have been guilty of a crime, and would no longer be honourable. The charge just laid by the member for St. Mary implies that within the civil service commission, whether it be the commissioners or other people, there were persons of questionable integrity. The minister therefore cannot ignore this charge; he must investigate the matter fully and report to the house as soon as possible. I would even go so far as to demand that the minister let the estimates of the civil service commission stand until the last minute of the session,

to give him time to conduct an investigation and report back to the house.

I realize that the civil service commission, as any human organization, cannnot be perfect. It will make mistakes. However, in the many years I have been observing its behaviour, the commission has done a first rate job for the government and has striven to eliminate patronage to the greatest possible extent. And when I hear people—

Mr. Pigeon: Tell us about your nephew Lupien, who is a manager for the central mortgage and housing corporation.

Mr. Caron: Mr. Chairman, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has just mentioned the name of one of my nephews who has been appointed manager of the Montreal office of the central mortgage and housing corporation.

Mr. Valade: On your recommendation.

Mr. Caron: I give my word to the hon. member that I have not intervened in any way, directly or indirectly, nor to the civil service commission or the Central Mortgage and Housing Corporation in favour of or against my nephew. I never had the opportunity to talk about him with anybody, either on the telephone, nor verbally, nor by letter or otherwise. And when the hon. member claims such a thing, it is another charge he is making just like all the unfounded charges he makes, without ever being able to substantiate them.

Mr. Pigeon: Is he your nephew, yes or no?

Mr. Caron: He is my nephew. And the fact that he is my nephew does not prevent him from trying to earn the right to advancement in the civil service commission or elsewhere.

Mr. Fortin: It did not do him any harm.

Mr. Caron: I feel that a man who claims to be serious and intelligent and who raises such a question as this, reveals his habitual state of mind. It reminds me of his state of mind when under the former administration of the province of Quebec, he was the secretary of a minister of that government.

I hope that when the hon. member makes charges, he will at least have the courage to rise on his feet and make them directly rather than in the underhand way he is making them now.

I say that anyone who suggests that a man who has earned advancement by his work does not deserve it, and has no right to promotion, either in the civil service commission or elsewhere—I say that anyone who claims such a thing is devoid of any sense of honour.

[Mr. Caron.]

The Chairman: Order. I hope the hon. member for Hull, on thinking over the words he just used—

Mr. Pigeon: Mr. Chairman—

The Chairman: —will realize they are obviously out of order.

Mr. Caron: Mr. Chairman, is it—

Mr. Pigeon: Mr. Chairman, I rise on a point of order.

The Chairman: Order.

(Text):

Mr. Chevrier: I rise on a point of order, Mr. Chairman. My understanding of the rules of this house is that if a member of parliament on his responsibility makes a statement such as that which the hon. member for Hull has just made, then the hon. member who makes the accusation must accept that statement. That is the rule.

The Chairman: I agree with the hon. member for Laurier, but I was not objecting to this statement. I was simply objecting to a statement made by the hon. member for Hull concerning the hon. member for Joliette-L'Assomption-Montcalm. That is quite a different matter.

Mr. Chevrier: I still rise on a point of order. Before the other point is disposed of I ask you to demand of the hon. member that he rise and accept the statement which has just been made by the hon. member for Hull.

(Translation):

Mr. Pigeon: Mr. Chairman, I rise on a question of privilege. The hon. member has attacked me. He told me that I am devoid of honour. I ask you to order him to withdraw his words, which are not parliamentary.

Mr. Caron: I never said, Mr. Chairman—

(Text):

Mr. Chevrier: I still rise on a point of order and the point of order I raise was the first one, namely that it is the rule of this House of Commons that if an hon. member states on his responsibility that such and such is not the case, the hon. member making the accusation must accept that statement.

The Chairman: Order. I have told the hon. member for Laurier that he is right in principle. However, in the present case the hon. member for Hull has not challenged the statement made by the hon. member for Joliette-L'Assomption-Montcalm. There was no contradiction.

Mr. Chevrier: Yes; there was.

The Chairman: No; there was no contradiction. The hon. member for Hull made a statement which was not a denial of any statement made by the hon. member for Joliette-L'Assomption-Montcalm; it was an explanation. There is therefore no reason for the hon. member for Joliette-L'Assomption-Montcalm to accept the statement made by the hon. member for Hull, as he did not deny it. If he had denied it, I would have asked him to accept the statement made by the hon. member for Hull. But the point I raise—and this is the first point that must be settled—is that the hon. member for Hull, I am sure without reflection, mentioned that the hon. member for Joliette-L'Assomption-Montcalm had shown that he had no honour. Of course that is against the rules as clearly indicated in citation 155, paragraph 3 of Beauchesne. That is where I intervened and asked the hon. member for Hull to correct that statement.

Mr. Chevrier: Will Your Honour hear me?

Some hon. Members: Sit down.

The Chairman: I will hear the hon. member for Laurier further if he wishes to speak on the point he has raised, but first I must dispose of the point raised by the Chair.

Mr. Chevrier: Will Your Honour hear me on this point later?

The Chairman: On the point I have just discussed?

Mr. Chevrier: On the point I raised earlier.

The Chairman: I have already indicated to the hon. member for Laurier that if he wishes to deal with his point of order I will listen to him after I have disposed of the point of order raised by the Chair prior to the point of order raised by the hon. member for Laurier.

(Translation):

Mr. Caron: Mr. Chairman, I am reported by the hon. member as having said that he was devoid of honour, and you repeated the same thing. That is not what I said. I said that he was devoid of a sense of honour. What is it to have a sense of honour. It is to understand something. To have the sense of something, is to understand what it is. By saying that, I did not say that he, himself, was devoid of honour, but that he did not understand its value. In my opinion, this is not against the house rules.

The Chairman: I am prepared to believe that the hon. member for Hull can explain what he said. The hon. member is well aware that it is no more in order to say that an hon. member does not quite know what honour is, than it is to say that he is devoid of honour. I am sure that, on second thought, the hon. member for Hull will agree to withdraw his words.

Mr. Caron: Mr. Chairman, I did not say that he was devoid of honour. If I say, for instance, that a man lacks a sense of justice, does that mean that he is unjust? No, it means that he does not have a complete understanding of the word justice, that he cannot understand the sense of the word justice.

The Chairman: I ask the hon. member for Hull to please accept the interpretation of the Chair and to withdraw the words he used when he said that the hon. member was devoid of honour or lacked a sense of honour.

Mr. Caron: I did not say that the hon. member had no honour. I merely meant that he did not understand the principles of honour. That is what I meant. I did not mean to say that he had no honour. And I wonder if it is against the rules to say that an hon. member knows nothing about the principle of honour.

The Chairman: I am simply expressing my opinion to the hon. member in this matter. I am telling him that he cannot say directly or indirectly, or question directly or indirectly, anyone's attitude in this house and I am simply asking him to withdraw the words he used when he said that the hon. member was devoid of honour.

Mr. Caron: I withdraw the word "honour" but not the words "has no sense".

(Text):

Mr. Chevrier: If Your Honour will hear me on the point of order which I raised earlier I say that the interruption made by the hon. member for Joliette-L'Assomption-Montcalm was by inference equally an attack upon the honour of the hon. member for Hull. The fact that he was asked these questions left the inference immediately that influence had been used by the hon. member for Hull in connection with the appointment of a relative of his, and it seems to me that the ruling the Chair has made, if it applies to the hon. member for Hull, applies equally to the hon. member for Joliette-L'Assomption-Montcalm who, by inference committed the same infraction of the rules, if I understand them aright.

(Translation):

Mr. Caron: Mr. Chairman, on the point of order. In order to establish precisely what the hon. member for Laurier (Mr. Chevrier) has just said, I denied a moment ago having

intervened directly or indirectly. And to show that there was a direct implication, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) made the gesture of someone picking up a telephone receiver and listening in, to indicate that I had intervened by telephone. He was implying in another way that I had intervened, and in so doing he was still trying to insinuate that I had intervened. The hon. member implied that I had unduly and unjustly intervened on behalf of a relative of mine.

Mr. Pigeon: May I explain myself, Mr. Chairman? The hon. member for Hull quite reluctantly withdrew what he had said. I simply said in the course of this debate that Mr. Lupien, a nephew of the hon. member for Hull was working for the C.M.H.C. in Montreal, and that a son of the Leader of the Opposition is an employee of the Department of External Affairs. I do not know if it hurt the hon. member for Hull and his friends, but that is all I said without any comment.

An hon. Member: With innuendos—

Mr. Richard (Ottawa East): On the point of order, Mr. Chairman, I would suggest to the Chair that it would be better to go on with the estimates of the secretary of state, instead of listening to those interventions from the hon. members who are saying things that they should not be saying or that are altogether meaningless.

The Chairman: No doubt the debate would be more orderly if the rules of this house were respected. In any case, and only to clarify the situation, because I feel that the point of order is not quite well taken, I would simply ask the hon. member for Joliette-L'Assomption-Montcalm to say that he accepts the statement of the hon. member for Hull to the effect that he did not intervene directly or indirectly on behalf of his nephew concerning the appointment mentioned.

Mr. Valade: Mr. Chairman—

The Chairman: Does the hon. member for St. Mary wish to speak on the point of order?

Mr. Valade: On the same point of order, Mr. Chairman—

(Text):

Mr. Chairman, will you hear me on the point of order. I noted the chairman asked the hon. member for Joliette-L'Assomption-Montcalm to accept the apology of the hon. member for Hull, but before doing so I did not hear the hon. member for Hull say that he was taking back his words. If I may be permitted I would refer you to Beauchesne's fourth edition, page 123, article 141, which states:

> It is impossible to lay down any specific rules, in regard to injurious reflections uttered in debate against particular members, or to declare beforehand, what expressions are or are not contrary to order;—

Et cetera. I would ask that the members of the opposition kindly allow me to make my point clear; I can see they do not want to hear.

The Chairman: Order.

Mr. Valade: I ask you call them to order. May I now refer to page 123 again, citation 141, which continues:

> When the Speaker observes upon any expression as personal and disorderly, and tending to introduce heat and confusion, and this appears to be the general sense of the house, the member offending ought immediately to make an apology,—

May I refer you back to page 117, citation 134, which says:

> In case a member persists in using unparliamentary language, the Speaker will be compelled to name him—

Mr. Chairman, you can read the rest of the article from Beauchesne, but I do not think the hon. member for Joliette-L'Assomption-Montcalm has been satisfied in this respect.

The Chairman: I must inform the hon. member for St. Mary that the point of order has been settled, the hon. member for Hull having withdrawn and the hon. member for Joliette-L'Assomption-Montcalm having accepted the withdrawal.

I said that in my view it was not absolutely necessary for the hon. member for Joliette-L'Assomption-Montcalm to state that he does not pretend to deny the declaration by the hon. member for Hull that he did not intervene directly or indirectly in favour of the appointment of the person he mentioned.

Mr. Taylor: Let us get down to business.

Mr. Balcer: Mr. Chairman, in answer to the various questions that have been asked about the civil service commission—

(Translation):

Mr. Caron: Mr. Chairman, since the point of order has not been dealt with, I think that the Acting Secretary of State should resume his seat. Anyway, I have not completed my remarks.

Mr. Balcer: Mr. Chairman, I was rising precisely to answer the questions that were put to me.

Mr. Caron: I have not completed my remarks.

Mr. Pigeon: Mr. Chairman, I never said in this house that the hon. member for Hull had intervened directly or indirectly; I simply stated that his nephew, Mr. Lupien, had a first class job with the C.M.H.C. Therefore I have nothing to withdraw; I never said that.

Mr. Habel: Base innuendos.

(Text):

Mr. Chevrier: Mr. Chairman, I still rise on the point which I brought to your attention earlier—

(Translation):

An hon. Member: In French.

(Text):

Mr. Chevrier: —and I do not think the hon. member for Joliette-L'Assomption-Montcalm has met the requirements of the rules.

The Chairman: I indicated that the hon. member for Joliette-L'Assomption-Montcalm had not denied the declaration of the hon. member for Hull. He affirmed that he did not intimate that the hon. member for Hull had intervened directly or indirectly. I think under the circumstances the statement made by the hon. member for Joliette-L'Assomption-Montcalm should be accepted. I recognize the hon. member for Hull.

(Translation):

Mr. Caron: Mr. Chairman, may I go on with my remarks in connection with the civil service commission?

Though I complained of the way in which the hon. member for St. Mary (Mr. Valade) reported some situations which arose under the former Liberal administration—as if errors were not committed under any administration—I just wanted to point out that while there had been no sign of party politics since the discussion started, I found his attitude in very bad taste; and I hope this expression is in order.

On the other hand, the hon. member made some remarks which were devoid of party politics, and which I approve. I believe he is right. He was justified in complaining of the fact that some professional civil servants are not adequately paid and that it is the reason why the civil service commission which has such great need of professional experts to carry out certain tasks, is unable to find them.

Every week, we read notices asking for accountants, and the salary offered by the civil service commission is of $3,000, $3,500 or $4,000 a year, whereas those working in an accountant's office get $6,000, $7,000 and even $8,000 a year, even when they are only employees. How can the civil service commission possibly obtain the services of competent people if it fails to pay them salaries comparable to those paid in private business?

It is the same for nurses. Lately, there was a demand for a nurse to manage a hospital. She was to be sent to northern Canada, and the salary offered was the fabulous sum of $3,600 a year, to leave everything and go north. It is absurd; it is simply ridiculous.

If you want good employees, you have to pay them properly, give them salaries that are paid in private industry. I know that salaries in private industry have substantially gone up in recent years; I know also that it may be somewhat difficult to keep pace with salary trends everywhere, and I would not like to criticize the commission too harshly.

I remember having dealt, on another occasion, with the various job opportunities advertised by the civil service, when I showed that it had been difficult to find the required personnel for hundreds of positions, precisely because the salary offered was not reasonable.

As I said a moment ago, the same goes for accountants and nurses and, as the hon. member for St. Mary pointed out, the same goes for druggists and chemists. It is true that chemists are classified in various categories. At the very beginning, a chemist only gets about $3,000 a year, and it is only after constant labour and years of work that he can get a reasonable salary. Besides, if he is competent, he goes to work for a company like the C.I.L. and right away he is offered a high salary.

Canada is now losing several of its doctors precisely because they do not get adequate salaries. In fact, American professionals have called at our universities, and even before our medical students had received their degree, they were offered a remuneration so much higher than that which they could have got in Canada, that those young people went to the United States to complete their studies and, afterwards, they settled there.

We have also seen a California lecturer come to Toronto and Montreal to give lectures to our doctors. This lecturer was a Canadian who had emigrated to the United States because he could not get the necessary facilities to work, and the salary which would

have allowed him to complete his education. He is now a United States citizen, and he comes back to Canada to lecture our Canadians.

Mr. Chairman, I believe that in this field the civil service commission would do well to make a serious and thorough study of the situation in order to meet the needs of the civil service and to give satisfaction also to those who, because of their education, deserve to get a salary at least equal to that they would receive in industry.

Mr. Chairman, I would also like to deal with the matter of appeals to the civil service commission. It is a situation which should be seriously examined, because many of the appeals are rejected. Why? It is because the civil service commission is not giving serious enough consideration to those who make an appeal? I do not know, but in the few cases I have studied, I have noticed that the civil servant, who was a very good employee, fully qualified for the work he had to do, did not get the appointment to the higher position he had applied for. The promotion has been refused to him in favour of another civil servant. He filed an appeal. He appeared before the commission and his appeal was fruitless. Why? Because he was naturally shy and did not have the necessary knowledge to plead his case. This is why I believe that in cases of appeal—I am now talking for the benefit of lawyers—the applicant should have the right to be represented by a lawyer, who would know how to make the necessary representations to the commission and would know how to examine the witnesses.

Otherwise, the man who is not used to speaking up, who did not make special studies in that field is stuck; he is embarrassed because he is not used to expressing his views publicly. He is terrorized by the presence of the members of the civil service commission, and, for those reasons, he often loses his appeal simply because he does not know how to go about it.

Mr. Chairman, I suggest that the civil service commission take steps so that those who make an appeal have the right, if they so choose, not to be represented by another employee of the public service, nor by a member of his association, but by a lawyer of his choice.

Another field where there is some injustice, perhaps unintentional, is in what we call the rating system. The rating is a survey made by the department concerned, on the value of the employee. They say, for instance, that the employee is worth so much per cent in this and so much per cent in that and at the end, it should give a total of so much.

But in the army, they instituted the rating system. The rating was shown to the person concerned who considered the matter, and if dissatisfied, asked to be paraded in order to discuss the situation.

Things are different in the civil service commission. The head of a department—

Mr. Drysdale: More slowly, please.

Mr. Caron: I am sorry I was going too fast. In the civil service, the person concerned is treated the same as in the army. I do know, however, that an employee's rating is arrived at on the basis of a numerical system and that outside the Department of National Defence, which has been following a system similar to the army system, an employee is not given an opportunity to see his rating. Now, in the event of a promotion, the rating has more weight than the person's real value. In my view, the employee should be told about his rating, so as to be able to study it and appeal to the civil service commission if he disagrees; if satisfied, on the other hand, he could just initial the rating. In that way, no unfairness could arise.

I have referred to that system in the past. I discussed it when the Liberals were in power, and I raise it again today because in my view, it is a means of avoiding cases of gross unfairness. Indeed, it may happen that a head of a division, who for some reason dislikes a particular employee, will rate him accordingly. As the employee never sees that rating, and comes under the civil service commission only when a promotion arises, his chances are jeopardized in advance because of the fact that in a fit of temper against an employee, the section head does not grant him the rating he is entitled to.

Those are matters that deserve consideration as well as the question raised earlier by the hon. member for Outremont-St. Jean (Mr. Bourque).

Mistakes might happen, the civil service commission may do someone an injustice; but the greatest danger of injustice is not in the civil service commission itself, but mostly in the departments where people work side by side all day long and where there

are clashes of temperaments. Those people do not always get along together and this is what gives rise to injustice, because very often reports submitted to the civil service commission on applicants have more weight than the true merit of the applicants and are more important than the results of the exams they passed. I suggest that this situation should be corrected in the interests of the civil service.

Mr. Balcer: Mr. Chairman, various questions were brought up by the hon. member for St. Mary (Mr. Valade), for Hull (Mr. Caron) and for Outremont-St. Jean (Mr. Bourque) concerning the civil service commission.

(Text):

First of all, I should like to answer briefly the remarks made by the hon. member for Assiniboia about resignations from the civil service. The hon. member for Assiniboia included in the figures he gave to the committee all types of resignations. They were not confined to only one category; they included all those who retired because of age, illness or in the case of women because they got married. It included also those who were returning to schools and universities and all those who retired for personal reasons and also who accepted employment elsewhere. When all these factors are taken into consideration the percentage of vacancies and resignations is not so large for such a huge number of employees.

It is true that in certain fields vacancies are a little more numerous on a percentage basis than in other fields, but I should like to tell the committee that if the civil service commission, for instance, is experiencing certain difficulties with such classes as veterinarians, nurses, meteorologists and accountants, I think it is a good thing for the committee to know that in all these classes industry is facing the same difficulty and is experiencing the same shortages; but I can assure the committee that the civil service commission is doing its very best to remedy this situation and is paying special attention to these fields.

(Translation):

Mr. Chairman, the hon. member for St. Mary (Mr. Valade) has dealt with the case of pharmacists and some other professionals. The hon. member for Hull (Mr. Caron) referred to it, too.

According to them, the salaries of those professionals as compared to those paid in private industry were not attractive.

I want to remind the house that on June 1, various professional groups received salary increases from the civil service commission and among those were the groups of engineers, chemists, scientific officers, statisticians, teachers in our miltary colleges, medical officers, legal officers, and some other groups of public relation officers as well as other groups of university graduates.

Unfortunately, the salaries of both classes of pharmacists and accountants have not been increased yet, but the officials of my department tell me their cases are to be revised soon.

As for the case about which the hon. member for St. Mary complained, and about which the hon. member for Hull insisted I make a thorough investigation in order to know all the facts, I want to assure the house that I will study this matter which has been raised by the hon. member for St. Mary, and if I come to the conclusion there are grounds for an investigation, I will not hesitate to order that it be made.

The hon. member for Hull raised the question of rating. May I say to him that there is at present an interdepartmental committee which is studying the possibility of establishing a system which would apply to all departments. This interdepartmental committee is expected to report to the commission in the very near future.

As for the matter of appeals, which was raised by the hon. member for Hull, I must remind him that the new civil service bill includes several amendments on the matter, and that new bill provides a well defined procedure about that.

I am told, at this time, that a civil servant who lodges an appeal, may be represented by a lawyer.

Mr. Caron: I regret, Mr. Minister—

Mr. Balcer: That is the information I got from some officials of my department.

Mr. Caron: Some will try to be represented by lawyers who know very little about such defence. They were told they were entitled to be represented by a member of the association only. I think that the act now provides for that. They are entitled to be represented by a member of the association, but not by a lawyer.

Mr. Balcer: I am very happy to announce to the hon. member for Hull that, very recently, it has been decided that a civil servant who lodges an appeal is entitled to be represented by a lawyer.

Mr. Caron: Then I must congratulate the minister on behalf of the employees and of the lawyers.

(Text):

Mr. Chevrier: Mr. Chairman, some objection was raised a moment ago to the fact that I raised the point of order which I did in the English language, and if I did so it was for an obvious reason. I want to continue not on the point of order but with respect to the matter raised by the hon. member for St. Mary, equally in the English language for equally obvious reasons. The charge which was made by the hon. member is a serious one and I do not think it can be allowed to remain in the manner in which the minister has left it. It is a charge against the civil service of Canada as a whole and more particularly against the chairmen of the civil service commission who have occupied that post over the years. The charge made was that an applicant for a position in the civil service of Canada was given the questions and answers with respect to an examination which took place. The point is so serious that I think the minister should take the first opportunity not only to make an investigation but to state here and now that he does not believe that those persons who form the civil service commission of Canada are responsible for such an act.

I refer first of all to the present chairman, who was not accused, and to the preceding chairman, the Hon. Mr. Heeney, now ambassador at Washington, who was appointed by the former Liberal administration and whose term of office was extended by the present government. If the charge is a valid one then it reflects indirectly upon his tenure of office. Again, his predecessor in office was Mr. C. H. Bland, who for many years was chairman of the civil service commission. He was appointed by a Conservative administration and his term of office was extended by a Liberal administration. Before his retirement he was asked to make a report on the whole purview of the civil service commission.

What I deprecate in this attack is not so much the fact that it is directed at a previous administration but rather the fact that it is an attack upon the civil service commission of Canada. I have been a member of the house for many years. I came here in 1935 and I have heard silly rumours such as that to which the hon. member for St. Mary gave vent this evening, but I have never yet seen the proof established of any such thing as was stated this evening. I say to you, sir, with respect, and equally with respect to the Acting Secretary of State, that it is not enough for him to say what he did say. In all fairness to the men and women who are under him he must say that they are not in any way responsible so far as this kind of ignoble attack is concerned. I hope the minister will conduct an investigation at the first opportunity and let the house know what the facts of the case are.

Mr. Balcer: Mr. Chairman, the hon. member for Laurier has said that in his 25 years in the house he has heard all kinds of rumours of this type and that when they were looked at closely most of the time they did not stand up or make sense. That is precisely the reason why the commissioners cannot order a full inquiry with respect to every little rumour that comes along. I think it is the duty of the minister to study and investigate every charge that is made and, if the charge is serious, to go very deeply into the matter and make sure that every accusation is answered. In my view I think I am just following a very proper course.

As far as the present and past chairmen of the commission and the other commissioners are concerned, I quite agree with the hon. member for Laurier that they have given excellent service to the state and have always done their duty as far as the people of Canada and the government are concerned.

(Translation):

Mr. Valade: Mr. Chairman, I would like to answer the few remarks which were made in a less than accurate manner by the hon. members for Laurier (Mr. Chevrier) and for Hull (Mr. Caron).

I never charged the civil service commission or its officials with playing such a game. I pointed out that the promotion system, or the rating test, to which candidates were submitted is defective, and that consequently some people were awarded undeserved promotions. That is what I wished to clear up. I also want to reply to what the hon. member for Hull said to the effect that he thought the civil service was not quite honourable.

I think the civil service is very honourable. I know, a great number of federal civil servants in my riding who are honestly doing their work. I have never had any quarrel with them in respect of what I know. And I am today giving credit to the civil service and to its employees for the magnificent co-operation they give to public servants, to the government and to anybody by whom they are approached.

I just wanted to say again that there was a defective system which had to be corrected, and under which some employees had been given certain promotions.

I want to recall the name of the person who authorized me to name him, and to give his address and his telephone number, telling me that he would be available if needed.

I did not start a ridiculous rumour, as the hon. member for Laurier (Mr. Chevrier) said. I just established a certain fact, and I fail to understand the turmoil which took place in the ranks of the Liberal party following my stating the facts in this house.

I just wanted to take this opportunity to say how the Conservative party has given consideration to civil servants, who had been neglected and forgotten by the Liberal party. Under the Conservative party, Mr. Chairman, civil servants received a generous salary adjustment which had been refused by the former administration. And I took that opportunity to point out that I felt the rating system is faulty and should be corrected in the interest of the government.

Mr. Caron: I much prefer the last statement made by the hon. member for St. Mary to the first one, because the last statement may be a matter of taste, to use the words of the member for Montmagny-L'Islet (Mr. Fortin), while in the first statement, he mentioned a name, that of Mr. Sibley Henry and—

Mr. Valade: Read the *Hansard* and you'll see what I said.

Mr. Caron: He said that this person had been supplied in advance with the answers to the questions that were to be asked.

Mr. Valade: That was under the former administration.

Mr. Caron: That is not exactly what he said. However, if it is true, that one Sibley Henry was supplied with competition questions, that is a very serious matter which deserves to be enquired into, because a direct charge has been laid. But, if he merely said that the rating form can involve injustices, I fully agree with him, and there is no use discussing the matter any further.

(Text):

Mr. Fisher: Mr. Chairman, in view of the charges made recently that so far as foreign service officers are concerned people of French Canadian origin are not getting a fair share of the posts, could the minister explain how much control the civil service commission has over examinations for the post of foreign service officer? Does the civil service commission set the complete examination or is there a special examination set by the Department of External Affairs?

Mr. Balcer: The examination is set by the civil service commission.

Mr. Fisher: In other words, the civil service commission is completely in charge of the examination set-up for foreign service officers in the Department of External Affairs?

Mr. Balcer: That is right.

Mr. Fisher: So if there were any criticism of the selection, as it works out, then some responsibility must rest with the civil service commission rather than upon the Department of External Affairs? Would that be a fair assumption? Would the minister not care to answer that?

Mr. Balcer: This is precisely what I said earlier. It is the civil service commission that makes the appointments.

Mr. Argue: I believe I was out of the chamber when the minister made his general statement in reply. I wonder if the minister would care to comment on the large number of resignations, the large number of vacancies in the various departments to which I referred? What is being done to fill them?

Mr. Balcer: I explained briefly that the figures that were given by the hon. member were not the actual figures for vacancies. They include all the people who have resigned from the civil service because of retirement, because of age, because of illness, because of marriage in the case of women, to fill alternative positions such as returning to universities and schools, as well as for personal reasons of some other nature. When you take into consideration these various groups you will see that the actual resignations are not so numerous for such a huge service.

In so far as these vacancies are concerned, the commission has experienced shortages in certain fields, such as veterinarians, nurses, meteorologists and accountants. Industry is also experiencing shortages in these classes. I can assure the hon. member that our civil service commission is doing its best to recruit these people.

Mr. Argue: My main point was not the number of resignations. The point was that in relation to resignations there were so many vacancies. I have in my hand a particular return for the Department of Agriculture. For example in two instances the position of engineer has been vacant one year and one month; two veterinarians have been required for this length of time; two librarians, an inspector of poultry products, a poultry fieldman. The position of economist has been vacant one year and five months, and so on. It would seem to me that there has been something of a collapse in the civil service of this country in these important positions. The fact is that the government is not offering enough money, in my opinion. Some of these positions have been vacant for years.

I am not criticizing the civil service commission for failing to have them filled. I think the personnel are not available at the salaries that are being offered. My complaint, as I said initially, was not the number of resignations. I expect there will be a large turnover, inevitably, in any service because of promotions, transfers, new recruits and so on. As I said earlier, I do not have the full information because it was not supplied for every department. I would ask the minister to look into this question. I feel that it is a very great problem for the civil service of this country, and it is a shame that these positions should be vacant for years. I would suggest that one of the reasons the government is unable to fill them is that the salary which is offered for people with these kinds of qualifications is too low.

Mr. Balcer: Mr. Chairman, I am told by the officials that there is an actual shortage of veterinarians, for instance, and they are just not available. In so far as many of the other positions are concerned that the hon. member has listed, very often the department concerned does not request the civil service commission to fill these vacancies. The department just wants to keep these positions open.

Mr. Argue: Why would the department want to keep them open?

Mr. Balcer: That is the problem of the various departments; so far as the civil service commission is concerned, they only recruit people to fill vacancies when the department requests that these vacancies be filled.

Mr. Argue: I did not expect to hear from the minister that these were fictitious vacancies. I think it is a rather disgraceful position if the Department of Agriculture is going about the country saying we have many vacancies; we need a number of qualified people for many posts, but we do not want these posts filled. It looks ridiculous.

Mr. Balcer: Many of these vacancies remain unfilled because applicants do not come.

Mr. Argue: Very well; in other words, in relation to the salary there is a severe shortage of these people and the government is unsuccessful in having these positions filled.

Mr. Balcer: At the present time the government is granting all kinds of salary increases. A few minutes ago I listed a group of professional men who received increases on June 1, quite substantial increases. I feel these increases compare quite favourably with the salaries paid in industry for similar work.

[Mr. Argue.]

Mr. Brunsden: There are some vacancies in the Department of Agriculture, and the hon. member for Assiniboia is a trained agriculturist. I sincerely recommend to the minister that he consider an application from the hon. member for Assiniboia in order that he may use his great talents in a field outside this house.

Mr. Argue: I suggest to the hon. member that my application is in for much higher stakes than that.

Some hon. Members: Oh, oh.

Mr. Argue: I suggest that the record of inefficiency and ineptitude of this government will result in innumerable vacancies on the other side. My hon. friend's advice, I would suggest, would be more appropriate to the droves of his colleagues around him who, in a very short time, will likely all be looking for work.

Mr. Fisher: I was going to ask the minister a question related to one of his own divisions. Has the civil service commission any request from the companies division of his department for additional staff, especially in relation to the carrying out of what will be great changes in the functions of that division if the present dealings with the provinces in an effort to smooth out the whole Companies Act operation in Canada should be successful.

Mr. Balcer: I cannot answer that question offhand; I shall be obliged to inquire. Perhaps I could let the hon. member know personally outside the house with regard to this matter because I do not think I can get an answer tonight.

Mr. Fisher: That will be satisfactory. Will the minister also let me know at what time it is expected that some kind of crystallization will take place on this program to consolidate the various provincial and federal companies acts across the country and when he expects that this program will have some kind of policy application?

Mr. Balcer: I could not tell exactly how many months it may take. This process is a long one, as the hon. member knows. At the present time this committee, which consists of representatives of the federal companies section and a representative of each of the companies law section of the various provinces, is preparing a joint draft to be submitted to the government of each province and of Canada. If I remember rightly, this draft at the present time has not been given to the government and the government has not considered such a draft at the present time. I do not know about the various provinces but I do not think the matter has reached the government level. I believe it is

still on the official level, or on the level of this committee of which I was speaking. However, I can assure the hon. member that when we have uniformity of companies law across the country, if there is a need to increase the number of officers in the companies law section of the department, we shall do so.

Mr. Crestohl: Can the minister inform the committee whether there is at the present time an active chief or an acting chief of the companies branch?

Mr. Balcer: We have only an acting chief at the present time.

Mr. Crestohl: How long has the position of chief of the department been vacant?

Mr. Balcer: I am not too sure but I think it is over five months; between five months and six months.

Mr. Crestohl: Has the minister taken under active consideration the appointment of a chief for that department? I know the department is in need of a chief.

Mr. Balcer: Yes. We want to fill this vacancy. At the present time we are discussing the matter with the civil service commission.

Item agreed to.

Public printing and stationery—

320. Departmental administration, $675,523.

Mr. Fisher: On a previous occasion when these estimates have been before a committee I made a request of the minister to use his influence to see that contracts were spread out more across the country or in other words that there be less concentration in the Montreal-Toronto-Ottawa triangle and on at least two occasions, once by the present Minister of Citizenship and Immigration and once by the minister who was in charge of this section last year, I received the assurance that this was the policy of the government and that they were going to see to it that more contracts and subcontracts went to the western provinces and to some of the eastern provinces. I should like to ask the minister whether he can give some indication as to whether this policy has been effective.

In previous years I put on the order paper a request for information that it took many pages to give. However, from it I can determine this information. Last year in this particular return I could not see that more contracts were going to provinces other than Ontario and Quebec. I wonder whether the minister could give us an indication now as to what increase there has been, perhaps in percentage terms, of contracts going to printers in Manitoba, Saskatchewan, Alberta, British Columbia and the maritime provinces?

Mr. Balcer: I am glad the hon. member has asked me this question because the figures that I can give at the present time show quite a definite increase. For instance, in Alberta in 1957-58 the total value of departmental purchases from the Queen's printer was $55,014; in 1958-59 the amount increased to $75,451; and in 1959-60 it has reached $83,018. In British Columbia, for instance, it was $110,000 in 1957-58; in 1958-59 it stayed at about the same level of $108,000; but in 1959-60 it increased from $108,000 to $164,000, which is quite substantial for British Columbia. With regard to Manitoba the amount increased from $80,000 in 1957 to $137,000 in 1959-60.

Mr. Fisher: I should just like the minister to give the pattern. I appreciate knowing the figures. Has there been any percentage increase over-all in these particular years that would indicate that we are just following a general trend? I should like to determine whether this is following a general trend or whether it is a real fruition of a change in government policy.

Mr. Balcer: If one looks at the total record, it will be seen that in 1957 the total sales were $17,400,000. The figure increased in 1958, one year later, to $18,330,000 and in 1959-60 to $18,400,000 which is an increase of only $100,000. I therefore think there is a definite movement of decentralization.

Mr. Fisher: I am pleased to have this indication of a change in policy. Will the minister indicate how much of this $18 million is put up for bid, where you have an open bid or an open tender? I should like the figure, roughly, as to how much is on the basis of a selective invitation to a few people who happen to be on the list of the department?

Mr. Balcer: It is practically all open bids. The only cases in which there are no open bids are in respect of these punch cards or specialized equipment like that which are produced by only one producer and where there is only one firm from which they can be purchased.

Mr. Fisher: How does a job printing firm in a small town in northern Ontario like Geraldton or a town like Brandon or Selkirk in Manitoba know, find out or hear about these tender possibilities in order that they might submit a bid?

Mr. Balcer: They are invited by area. Every time there is a printing contract to be let we always invite a certain number of printing shops to tender. As I understand it, the Queen's printer has a list of practically all printing shops in Canada. Any printing

shop can write to the Queen's printer giving its name, qualifications and details of its production possibilities, and the Queen's printer tries to encourage all printing shops in Canada to submit tenders, and the Queen's printer tries to give a chance to the printing shops in one particular area. It would be practically impossible for a printer in Brandon, for instance, to compete with a printer in Ottawa or Montreal or Toronto on account of shipping charges, and things like that. So we arrange to have these bids submitted by area, and that is the reason why in the last three years there has been an increase in contracts granted outside of the central provinces.

Mr. Fisher: Could the minister tell me if there have been any contracts let in the past year in the area I call northwestern Ontario, which is between the Manitoba boundary down to North Bay or Sudbury? Have there been any contracts let in that area; or if that question cannot be answered, have firms in that region been invited to make bids?

Mr. Balcer: In view of the importance of cities like Port Arthur and Fort William I am sure that there are some printing firms there which have been asked to tender on contracts, but unfortunately I have not the breakdown for the region specified by the hon. member.

Mr. Fisher: One last question, and this is more specific. How much does it cost, and who is the printer who does the job on the Canadian army journal?

Mr. Balcer: The successful tenderer was Charters of Brantford, Ontario. Unfortunately I have not the amount.

Mr. Fisher: Can the minister tell me how many firms bid or were invited to bid on this particular job, and did the lowest bidder get the job?

Mr. Balcer: At least a dozen printing shops were asked to tender, and the hon. member can be sure the contract was given to the lowest tenderer.

Mr. Fisher: I thank the minister for the information. It does not match with what I have but I will have to check my information.

Mr. Caron: In those cases do they call for public tenders or do they just call certain firms?

Mr. Balcer: What is being done in practice is that we call for a specified job according to the equipment of the various tenderers. I mean by that that for a definite printing job which requires a certain type of printing press we call for tenders from various printing shops where they have the required press.

Mr. Caron: That is what we call invited tenders. By which means do they establish that they are better equipped than other firms to do the job? Who makes the inquiry about that?

Mr. Balcer: Nobody decides which is better equipped. The various printing shops send to the Queen's printer details of all their equipment, and it is very easy for the Queen's printer to be able to judge from the equipment on the card if a particular printing shop can do a certain type of work or not.

Mr. Caron: Anybody who has good equipment can send a demand for work at the printing bureau and they would be put on the list and asked to tender?

Mr. Balcer: Yes; and I can assure the hon. member that we receive requests like that every day and all of them are considered for tenders.

Mr. Bourque: As I said previously, Mr. Chairman, I have a lot of questions to ask. I am a printer by trade, and therefore when you talk to me about printing, after having spent some 50 years in the trade, I have learned a lot of things in that time.

The evolution which has taken place in the printing industry during the last few years is so tremendous that it would be difficult for anyone to call it an evolution. When tenders are asked for by the printing bureau, if you want to have cheap tenders you could ask ten people and know before you start which one will be the lowest. Because the machinery is such today that certain printers can turn out a job at say, $1.94 a thousand, yet you can ask another big printer equipped with the most modern equipment possible and he can turn out the same job for about 46 cents a thousand, a difference of 75 per cent. So therefore I am sure the printing bureau has a list of all firms in Canada with the equipment they possess, and I am sure they would ask ten printers having similar up-to-date equipment to tender so that they will get the best price. I would like to ask the minister if this is so?

Mr. Balcer: Would the hon. member repeat his question, because I was disturbed and missed part of it?

Mr. Bourque: I will give an illustration of my question. Say the government wanted 500,000 dodgers 9 x 12 printed in two colours and two sides. If they asked a small printer with automatic machines, say Kelly presses, he will give you a price of, say, $2.25 a thousand and that will be a fair price

for him. But if you asked a big lithographic printer which had all the modern and latest type presses, his price would be perhaps only 75 per cent of the other price. So I think the printing bureau should have a list of all firms in Canada with the equipment each firm has, and they should ask similar firms with similar equipment to tender, because the difference in cost can be tremendous.

Mr. Balcer: Yes, I understand the question. We divide the various orders up into three categories; small, medium and large. With the small printing shops we ask them to tender on the smaller contracts. The huge, big concerns are invited to tender on the really big contracts. We understand the situation pictured by the hon. member and he can be sure that the Queen's printer is very much in the know as regards this situation. That is why they always divide these contracts into three classes, and when we ask for bids on a small contract we always ask the small printing shops.

Mr. Bourque: As I said earlier I was led to ask these questions after reading an address given to the employing printers' association of Montreal on June 8, 1960 by David MacLellan, general manager of E.P.A. and of the graphic arts industries association, a national body embracing all employing printers' organizations from coast to coast entitled, "Printing—Canada's Biggest Employer in Manufacturing and How the Industry is Taxed, Trammelled and Trimmed".

My first question is this. Are the salaries of the officials—the Queen's printer, his assistant and other officials—paid by the government printing bureau or are they included in the civil service and paid by the government?

Mr. Balcer: Mr. Chairman, the Queen's printer and his assistant are paid out of the vote in the estimates but all the production people are paid out of revenues from our sales and charged to expenses.

Mr. Bourque: I am sorry, but I did not hear the answer.

Mr. Balcer: As far as the Queen's printer and his assistant are concerned they are paid out of the vote in the present estimates. As far as the production people are concerned they are paid out of general expenses and charged to the cost of jobs.

Mr. Bourque: Are these the only two officials paid from the estimates or are the salaries of other officials added on to the hourly cost, because the hourly cost has a great bearing on printing costs and estimates. If only the two are paid from the estimate it does not amount to much but there may be other officials who are not on the payroll of the printing bureau.

Mr. Balcer: I do not quite appreciate what the hon. member is after. Does he want to know, for instance, if there are people other than the officials whose salaries are charged to the ordinary expenses of this department?

Mr. Bourque: Right. I want to know what officials, employees and staff are paid out of the estimates. Is it only the Queen's printer and his assistant or are the proofreaders, the chief accountant, the accountants and other officials included? What other officials are there that should be on the payroll included in the estimates or paid directly through the printing bureau and do they count on the hourly cost?

Mr. Drysdale: Consult page 426 of the estimates.

Mr. Bourque: It is all on the first item.

Mr. Balcer: It would be difficult for me to tell exactly because some do and some do not. It depends on the work being done.

Mr. Bourque: You have your officials there, Mr. Minister. Why can they not tell you? They should be able to tell you. It has a great bearing on what I have to say.

Mr. Balcer: If the hon. member will refer to page 426 of the estimates he will see that the Queen's printer and his assistant—

Mr. Bourque: Do all of these officials come under the vote?

Mr. Balcer: I apologize for giving the hon. gentleman incorrect information. At page 426 are listed all the people who are paid out of the vote. All the other employees of the Queen's printer, and there are over 1,500 of them, are paid out of the ordinary expenses.

Mr. Bourque: That is the operating staff, the typesetters, the pressmen, all the people working in the offices of the department? Their salary is charged against the hourly cost of the printing bureau?

Mr. Balcer: Yes, and also the production men, the planning manager, the planning clerk, the storekeepers, the shipping employees and various others.

Mr. Bourque: Did the minister say creative men? Did he say he has a creative staff in the printing bureau and that they create all kinds of ideas?

Mr. Balcer: I did not mention that. I referred to the shipping employees. Perhaps the hon. member misunderstood me.

Mr. Bourque: Who purchases the necessary equipment such as presses, flat-bed and offset presses, linotype and monotype machines, gathering machines, varitypers, Xerox, I.B.M. equipment, collating and cutting machines, bookbinding equipment, etc.? Who pays for this equipment? Is it paid for and charged directly as an overhead expense in the printing bureau or is the cost of these machines calculated as overhead and included in the hourly cost of operations?

Mr. Creaghan: See page 437.

Mr. Balcer: All these expenses are included in vote No. 326 covering plant equipment and replacements.

Mr. Bourque: Do you charge depreciation on this equipment?

Mr. Balcer: No.

Mr. Bourque: An ordinary printer could not very well operate unless he charged depreciation.

Mr. Balcer: This is not an ordinary printing shop.

Mr. Creaghan: This is the Queen's printer.

Mr. Bourque: Years ago we used to buy a press and try to make it last for 20 years but now competition is so keen that a press should be operated 24 hours a day and worked until it is absolutely through. That is the only way you can operate a printing plant today.

Who pays for the lighting, heating, maintenance, etc.? Is it charged to the printing bureau and has it got any bearing on the cost of operations? In other words, does it form part of the actual hourly cost?

Mr. MacInnis: If you know, why ask all these questions?

Mr. Bourque: I have to ask them. The hon. member obviously knows nothing about business.

Mr. Muir (Cape Breton North and Victoria): If you know so much why not help them at the printing bureau?

Mr. Bourque: I am not interested in working there.

Mr. Balcer: Anyone who is a little familiar with government operations in the cities of Ottawa and Hull is aware of the fact that this building was constructed by the Department of Public Works and is heated by that department.

Mr. Bourque: No rental is charged that goes on the hourly cost?

Mr. Balcer: None. The Department of Public Works looks after this building as it looks after the House of Commons. The House of Commons is not charged rental.

Mr. Bourque: That is what I wanted to know and that is what the printers of Canada wanted to know. What department is the rental value of the printing bureau charged to? Is it charged to a specific department or is it just an overhead charge that adds nothing to the hourly cost of operation? Does the cost of the building enter into the hourly cost of operation? Is any rental included in that cost?

Mr. Balcer: The printing bureau, like other similar establishments of the government of Canada, operates under the same rules applying to them.

Mr. Hellyer: It is unique. There is nothing like it.

Mr. Bourque: There is a difference. I should like the minister to tell me if the delivery of printing to the various government departments, the cost of automobiles and trucks and other equipment, is included as overhead? Who pays for that?

Mr. Balcer: The charges for operating expenses of the trucks are charged to the operating expenses of the Queen's printer.

Mr. Bourque: Does this go on the estimate or does it go on the hourly cost?

Mr. Balcer: On the hourly cost.

Mr. Bourque: Does the printing bureau pay a municipal tax for its building or is the tax included with the stipulated amount the government pays to municipalities? If so, is there any charge made for this item to the printing bureau?

Mr. Balcer: No. The hon. member is seeking to make out a case to illustrate that the Queen's printer has not the same charges as an ordinary printing shop. We all agree with him; we have not the same charges. It is a completely different establishment. It is a government establishment created to print government publications and it is doing a very good job at the present time.

Mr. Bourque: I did not ask that; I did not say it was not doing a good job. I just want information. After all, the printing bureau does not pay for lighting; it does not pay for heating; it does not pay for the building. It has no overhead costs, or anything. Is it charged any income tax?

Mr. Balcer: No, it does not pay any income tax.

Mr. Bourque: If it succeeds in making a profit in competition with private industry, why should it not pay income tax, the same

as any private printer who has to pay for all the services that the printing bureau is granted by the different departments such as public works, national revenue division, and so forth?

Mr. Balcer: The hon. member has been asking so many questions of me about this matter that I wonder whether he would answer one for me?

Mr. Bourque: Yes.

Mr. Balcer: Does he think the printing bureau should pay income tax?

Mr. Bourque: I think it should if it is going to be in competition with private industry and the printers who are competing with it right along. They have to pay rent, light, heat, and so on. That is exactly the question I wanted the minister to ask me. The private printers who are in competition with the printing bureau have to pay for rent, light, heat, maintenance, delivery, promotion, advertising, taxes of all sorts, wages, salaries, legal expenses and so forth. I can assure the minister that the printers are very much worried at the present time because of the work that the printing bureau is doing in Canada today. The printing bureau has no sales staff going to the different departments to find out what work needs to be done, or is the work brought to the printing bureau? The printing bureau has no public relations officials, no creative division of artists and top executives who create all kinds of mailing pieces, packagings, labels, promotional work, and so forth, for the different departments? Therefore, the overhead is reduced practically to wages only.

Mr. Balcer: And materials.

Mr. Bourque: And materials, of course; you have to buy the materials. How is the hourly cost arrived at in the printing bureau? If you wish to estimate a job and you want to get out 500,000 booklets for tourists and the job is worth say $25,000 or $35,000 and you ask for bids outside, what do you do? I believe you have an estimating department in the printing bureau which says that the job should be worth so much. If you do not pay any overhead, and you do not pay any income tax, and you do not pay lawyers' fees and you get a free building, free light, a president, a vice president, a superintendent, a foreman and everybody, and nothing is charged on the job, how can you come to a price that is competitive with that of a printer who has to pay all those charges?

Mr. Balcer: The Queen's printer does not have to pay income tax; he does not have to pay selling expenses; he does not have any depreciation and he does not make a profit. The formula that they use in assessing the price of a certain job is that they subtract 36 per cent for the cost of the printing job.

Mr. Bourque: I did not get that.

Mr. Balcer: They subtract 36 per cent from the cost of the printing job. Their regulation is that this 36 per cent is to represent the fact that there is no charge for profit, for income tax, for selling expenses or for depreciation.

Mr. Bourque: They do not know whether it is right or wrong.

Mr. Balcer: They do.

Mr. Bourque: They start and finish—

Mr. Balcer: Mr. Chairman, I cannot let that go. They have made accounting studies and they have come up with a figure of 36 per cent. It did not come out of thin air. They take the usual expenses of an ordinary printing shop and with those figures they have come up with the exact percentage of 36 per cent, and that is how they come to their costs.

Mr. Bourque: Mr. Chairman, take the case of the working man an ordinary compositor in a plant who may be paid $1.98 an hour. He has two weeks' holidays, some have three. There are so many legal holidays a year and there is so much sick leave and everything. By the time you figure all the costs of that man—I am not saying the unproductive time but the productive time—that rate of $1.98 an hour may rise to $2.48 before you even begin to add profit or anything. How can you come up with a figure of 36 per cent if you do not know just where you are starting from? In bookkeeping you must start with a figure; you do not guess and say we take 36 per cent off.

Mr. Balcer: I know the hon. member is trying to make a point and I am ready to agree with him that it is less expensive for the Queen's printer to operate than it is for an ordinary printer, but as far as the costs that we charge are concerned, they are the same as those of any other printer. I referred to the cost system.

Mr. Bourque: I can tell the minister that if he were in private enterprise and running a private firm he could take a job today for approximately $10,000 and it might cost him $18,000 to turn it out. The next day he might take a job for $15,000 and it may cost him only $12,000 to turn it out. At the end of the year he might arrive at a figure something like the 36 per cent that the

minister has mentioned, but I do not understand how the printing bureau can arrive at a figure of 36 per cent unless they start with something. You must have a firm figure. You cannot afford to guess at something; you have to know where you are going to land.

Mr. More: Mr. Chairman—

Mr. Bourque: Wait a minute, I am not finished. Is the hon. member rising on a question of privilege?

Mr. More: No, I have a question.

Mr. Bourque: I am not finished. I should like to ask a question about apprentices. Does the printing bureau train apprentices, or does it absorb apprentices trained by free enterprise as fast as they become journeymen? It costs a printing firm thousands of dollars to train apprentices. According to the rules, a printing firm can have only three apprentices. Out of every three apprentices who start in the printing business only one finishes. Does the printing bureau train its own apprentices, or does it take apprentices that private printers have trained? Does it recruit apprentices from those people who have trained them, and bring them into the printing bureau?

Mr. Balcer: We recruit from technical schools.

Mr. More: Did the government of Canada operate the printing bureau during the years 1935 to 1957? I should also like to ask the minister if there has been any change in the method of valuation since 1957.

Mr. Balcer: No, it is exactly the same as when the government of the party to which the hon. member for Outremont-St. Jean belongs was in power.

Mr. Hellyer: You mean you have not been able to find any method of improving it since?

Mr. Balcer: We have changed the minister.

Mr. Monteith (Perth): We did not lose as much money.

(Translation):

Mr. English: Mr. Chairman, I realize that the hon. member for Outremont-St. Jean (Mr. Bourque) is very interested in the matter, and I simply wanted to ask him, as a recently elected member, who has only been here since 1957, and who needs to gain some experience, whether he would explain the difference between the former Liberal policy in this field and that of the party now in power.

Mr. Bourque: I can tell the hon. member that I have been here longer than he has. I have been sitting through four different parliaments, so that I have a little more experience than he has.

(Text):

I should like to ask another question. I have not received a reply so far as printers are concerned. No doubt the minister knows, as I said, that master printers spend thousands of dollars and the government should not take advantage of the printing industry by taking from them the apprentices that they train. Does the minister not think it is a grave injustice to the printing industry to take these apprentices from them?

Mr. Balcer: I certainly do not think so; I do not think it is an injustice at all. I think the Queen's printer is an establishment that is rendering a tremendous service to the people of Canada. It is producing for the government of Canada and its agencies and if it can operate at a low cost I think that is a splendid thing. If we can save money for the taxpayers of Canada that is a very good thing.

Mr. Bourque: The government should not take advantage of the printers by raiding their establishments to get staff. It should form its own staff.

Mr. Balcer: I do not agree.

Mr. Bourque: Does the minister know that the graphic arts are first among Canadian manufacturing industries in employment and fourth in dollar value of production? From the standpoint of income taxes, the graphic arts industry pays the highest wages of any non-seasonal manufacturing industry and the amount of income tax paid by the employees is considerable. Does the minister not think that the government should not cripple the goose that lays the golden egg by competing with private industry unless it be on the same level? Does the minister not think that the minister should take into consideration all the items that enter into the cost of a finished job in the printing industry before presenting competitive cost figures from the government printing bureau that show only one half of the real cost?

Mr. Balcer: The hon. member has been asking me the same questions over and over and over again.

Mr. Bourque: No, I have asked different questions.

Mr. Balcer: He has repeated himself about five times and his last question is the same.

Mr. Bourque: I have not.

Mr. Balcer: I do not agree with him and I still maintain that this establishment is not creating trouble for the printing industry in Canada but rather is rendering a great

service to and doing a very good job for the Canadian people and is saving money.

Mr. Bourque: I would say to the minister—

The Chairman: The hon. member for Burnaby-Richmond.

Mr. Drysdale: Mr. Chairman, I think the minister might like a little variety in the questioning. Under this item I should like to make a plea primarily for the benefit of the judges and lawyers of Canada and it has to do with the printing of the annual statutes of Canada. Last year, for example, the session ended on July 18 and yet I was not able to obtain the statutes of Canada until the beginning of January. Out of curiosity I went to the library of the Supreme Court of Canada. When they receive the statutes they stamp them and I found that an interval of six to eight months was the average over several years.

I believe that one of the most important things parliament does is to enact legislation and in my view it is important that we place the statutes, comprising new legislation and amendments to existing acts, in the hands of the judges and lawyers of Canada as soon as possible. I believe it is extremely important that they receive them with the greatest expedition. I am not being critical of the minister or the Queen's printer because I realize they have a variety of matters to attend to but I do not think it is right that the judges and lawyers of Canada should be in the position of not knowing what the up-to-date law is. I urge the minister to expedite, if possible, the printing of this very important publication and I suggest that perhaps it could be done in a period of two months.

Mr. Balcer: The hon. member has asked a very refreshing question and has made a very sound suggestion. I think it is most important that the statutes of Canada should be printed as quickly as possible because they play an important part in Canadian life. I can assure the hon. member that we will take his remarks and suggestion under very serious consideration and will do our utmost to complete the printing of these statutes earlier this year.

Mr. Martin (Timmins): Mr. Chairman, I must confess I have been quite amazed and rather confused by the running battle we have seen tonight between the hon. member for Outremont-St. Jean and the minister. My confusion arises from the fact that I cannot make out whether this is the new liberalism of the Conservative party or the new conservatism of the Liberal party. However, one thing strikes me as very strange. It has been repeated many times by the hon. member that the Queen's printer competes with private printing companies. I do not know of one instance where the Queen's printer has gone out and competed with any printing company in Canada. I think his whole argument is based on a myth.

Mr. Bourque: May I ask the minister another question? Does he know that our small population supports the greatest volume of imported printing of any country in the world? Sixty per cent of United States printing exports are absorbed by Canada and only 5 per cent of our printing exports are absorbed by the United States. We absorb 60 per cent of printing exports manufactured by 170 million people and they only absorb 5 per cent of printed material manufactured by 17 million people. If it were 5 per cent to 60 per cent the situation would not be so bad, but it is like an elephant and a rabbit or comparing 60,000 elephants we take from them with 5,000 rabbits they take from us. In addition, I understand that the Japanese are now coming into the market.

I am sorry if I have annoyed the minister but these are all things that the printing fraternity are very anxious to know. As we have a new Queen's printer I thought it would be well to make him aware of the things he will have to put up with and that is why I have asked so many questions tonight. I can assure him I wish him well and I hope he will make a success of his new job. I hope he will also take the things I have said tonight into consideration and try to bring about a fair distribution of the work that he gives out.

Mr. Herridge: I have one question which I have been waiting quite a while to ask. Would the minister inform the house who prints the Parliamentary Guide and, if it is printed privately, what is the name of the company and what do they charge for it?

Mr. Balcer: It is strictly private. The copies that we have are bought by the House of Commons, and it is the commissioners of internal economy that do that.

Mr. Herridge: The right to print is given by the commissioners?

Mr. Balcer: It is purely private. It has been done by the same family for quite a

number of years. The copies are bought by the commissioners of internal economy of the house.

Item agreed to.

The Chairman: This completes the estimates of the Department of Secretary of State.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: Will the business for tomorrow and the rest of the week be as announced last night?

Mr. Churchill: There will be no change, Mr. Speaker. The business will be as announced last night and as shown on page 7017 of *Hansard*.

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

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

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—

282. Branch administration, $1,089,198.

Education division—

283. Administration, operation and maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the government of the Northwest Territories of expenditures on education and vocational training, $5,204,138.

284. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the government of the Northwest Territories of expenditures on education and vocational training, $2,496,287.

Welfare and industrial divisions—

285. Administration, operation and maintenance, $1,531,368.

286. Construction or acquisition of buildings, works, land and equipment, $542,700.

Yukon Territory—

287. Operation and maintenance including grants and contributions as detailed in the estimates, $1,176,695.

288. Construction or acquisition of buildings, works, land and equipment, $3,706,900.

Northwest Territories and other field services—

289. Operation and maintenance including grants and contributions as detailed in the estimates and authority to make recoverable advances by services performed on behalf of the governments of the Northwest Territories and the Yukon Territory, $5,308,685.

290. Construction or acquisition of buildings, works, land and equipment including costs arising out of the relocation of the town of Aklavik and payment of such compensation as the governor in council prescribes to persons affected by such relocation, $9,805,370.

Forestry branch—

291. Branch administration, $172,333.

Forest research division—

292. Operation and maintenance, $1,727,079.

293. Construction or acquisition of buildings, work, land and equipment, $221,147.

Forestry operations division—

294. Administration, operation and maintenance, $349,390.

295. Construction or acquisition of buildings, works, land and equipment, $11,350.

296. Contributions to the provinces for assistance in forest inventory, reforestation and forest fire protection in accordance with agreements entered into by Canada and the provinces, $2,450,000.

297. Contribution to the province of New Brunswick for assistance in a program designed to combat the spruce budworm infestation, in accordance with an agreement entered into by Canada and the province, $550,000.

298. Operation and maintenance, $966,063.

299. Construction or acquisition of buildings, works, land and equipment, $60,685.

300. Grant to Canadian forestry association, $20,000.

301. Eastern rockies forest conservation board—Remuneration and expenses of the federal member of the board, $5,575.

National museum of Canada—

302. Administration, operation and maintenance, $736,904.

Canadian government travel bureau—

303. To assist in promoting the tourist business in Canada including a grant of $5,000 to the Canadian tourist association, $2,687,178.

486. Advances to the northern Canada power commission for the purpose of capital expenditures in accordance with sub-section (1) of section 15 of the Northern Canada Power Commission Act, $1,825,000.

487. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act, $4,958,500.

Loans, investments and advances—

574. To authorize the operation of a revolving fund, in accordance with section 58 of the Financial Administration Act, for the purpose of acquiring and managing stores that are required for the purposes of the northern administration branch; the amount to be charged to the revolving fund at any time not to exceed, $500,000.

DEPARTMENT OF SECRETARY OF STATE

383. Departmental administration, $311,264.

384. Companies division, $119,558.

385. Trade marks division, including a contribution to the international office for the protection of industrial property, $199,906.

386. Bureau for translations, $1,639,678.

Patent and copyright office—

387. Administration division, $197,442.

388. Patent division, $2,308,558.

389. Copyright and industrial designs division, including a contribution to the international office for the protection of literary and artistic works, $31,325.

Special—

552. Special expenditure in connection with a commission under the Inquiries Act to inquire into the workings of the Patent Act, the Copyright Act, the Industrial Designs Act, and other related legislation, $12,500.

Office of the chief electoral officer—

45. Salaries and expenses of office, $76,925.

Civil service commission—

65. Salaries and contingencies of the commission including compensation in accordance with the suggestion award plan of the public service of Canada, $3,853,967.

Public printing and stationery—

320. Departmental administration, $675,523.

321. Purchasing, stationery and stores, $1,139,999.

322. Distribution of official documents, $426,888.

323. Printing and binding official publications for sale and distribution to departments and the public, $650,000.

324. Printing of Canada Gazette, $130,000.

325. Printing and binding the annual statutes, $35,000.

326. Plant equipment and replacements, $282,426.

HOUSE OF COMMONS

Thursday, July 28, 1960

The house met at 11 a.m.

COMMITTEES OF THE HOUSE

Fourth report of standing committee on agriculture and colonization—Mr. Stanton.

First report of special committee on broadcasting—Mr. Fortin.

DOMINION-PROVINCIAL CONFERENCE

STATEMENT ON CONCLUSION OF MEETINGS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to make a short report to the house on the dominion-provincial conference. The premiers of all the provinces, together with a number of their ministers and advisers, met at the invitation of the government, as hon. members know, to commence discussions which are requisite in preparation for the revision of the financial arrangements with the provinces, which expire in March of 1962.

This meeting was a most active one at which many proposals were put forward by the various provinces, and an opportunity was afforded for the discussion of these proposals in camera. Now they will be studied by my colleagues and myself during the next several months in preparation for subsequent discussions. Most of the meetings took place in public, and the press has given a most full and comprehensive report as to what transpired in these meetings. I shall not, therefore, endeavour to summarize the many suggestions and points of view that were put forward by the ten premiers. I do, however, wish to table copies, in English and in French, of the preliminary verbatim report of the public proceedings of the conference. I would point out, too, that these reports still have to be corrected before they are issued in final printed form. When the copies have been revised the documents will be made available to all hon. members.

The financial proposals that were advanced covered a wide range of subjects and involved very large sums. Indeed, if parliament were to act upon even the more modest of them, it would involve far-reaching changes in the budget and tax system. There were two central problems; one, the nature and extent of the net payments to be made to provinces based upon some measure of their fiscal need, which payments include the equalization payments, which this government insists shall be continued, and such other payments as the Atlantic adjustment grants, the special grants to Newfoundland and other comparable payments. The second central problem considered was the sharing of the direct tax fields. Not unnaturally, some of the provincial governments would prefer to have the federal government reduce the federal corporation and personal income taxes and estate taxes. It would be necessary to give careful study to the various provincial suggestions and thereafter, as was the case in 1955, make preparations for the agreements such as were ultimately entered into in 1957; that is, a further conference or conferences will have to take place. It has been agreed that the present conference will resume on October 26, at which time a period of three days will be devoted to it.

The conference, though called to discuss fiscal matters, provided an opportunity for discovering that there was now a wider measure of agreement on the desirability and possibility of having two fundamental improvements made in the constitution. It was concluded that we should proceed at once to seek agreement on a means of amending Canada's constitution in Canada rather than by petition to Her Majesty the Queen to request the parliament at Westminster to make amendments which have to do with the distribution of powers as between the federal parliament and the provincial legislatures.

There was discussion also respecting a bill of rights. I hope that in consequence of the meeting which has been arranged for the latter part of September or the early part of October, to be convened by the Minister of Justice and attended by him and the various attorneys general, we may possibly look forward to the day when the constitution will be brought home, so to speak, and that consideration will then be given to making arrangements by agreement to incorporate, following the return of the constitutional powers to Canada, all the guarantees of those fundamental rights for Canadian citizens.

I think I need say no more at this time than to give this general report; for, as hon. members know, the discussions that took place in Canada are not revealed at this time in accordance with the tradition that has been built up through the years.

Questions have been asked with regard to the agenda. I might summarize the questions that were on the agenda following the determination by the conference on Tuesday. The first had to do with tax arrangements, a discussion of the possible arrangements after March 31, 1962, under the following headings: (a) arrangements with respect to personal income tax, corporation income tax and succession duties; (b) equalization and fiscal need payments, the principles underlying equalization and fiscal need payments and an examination of possible formulas; and (c) stabilization payments; indirect provincial retail sales tax; a matter such as uniform rules for allocation of corporate profits and the income of individuals to provinces; taxation of natural resource industries; sharing of the federal income tax collected from corporations whose main business is the distribution or generation for distribution to the public of electrical energy, gas or steam. Then some time was taken on the question of action respecting the application of the sales tax to crown agencies. In addition to those I have mentioned were such matters as economic development and employment and capital financing. Constitutional questions also received attention, as did the important field of conditional grants and shared-cost programs.

That is a résumé of those things that received consideration, and I feel it is only fair to say that it was most careful consideration having regard to the time available. All the deliberations took place in a spirit of frankness and with every regard being had by all to assure that the federal and provincial governments are not separate one from another when questions such as the welfare of Canada as a whole are being considered.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the Prime Minister has just told us that the conference which has just concluded was an active one. The record of the proceedings and the Prime Minister's own statement show that it was indeed an active conference. Part of that activity, so far as one can judge from the record, seems to have been the reaction of the provincial premiers to the statement of the Minister of Finance interpreting in statistical terms the requests made of the federal government by those provincial premiers who spoke on this matter, an interpretation which was challenged, as indeed the procedure adopted in the minister's speech was also challenged, by the premier of Ontario as repeating a controversial procedure in the conference of 1957.

On the side of more constructive activity one must mention the proposal taken on the initiative of the premier of Quebec that a conference should be called in the autumn to consider ways and means by which Canadians can amend their own constitution. That was a proposal made by the premier of Quebec which was supported by other premiers, including the new premier of New Brunswick. The proposal also dealt with the possibility of a national bill of rights at a time when we have before us only a limited bill of rights. This activity at the conference, Mr. Speaker, was indeed constructive.

Perhaps less productive of a reaction was the request made by certain provinces that there should also be a discussion at this time of the unemployment problem. So far as the financial proposals are concerned, it would appear that after a long series of conferences, study groups, seminars and examinations by the federal government and federal officials, after nearly three years' consideration of this matter the federal government at this conference had no proposals to make to the provincial premiers. It appears that their attitude on this matter was negative and passive. This, Mr. Speaker, is a far cry from the new deal that was promised to the provinces in the electoral period of 1957 and 1958.

Some hon. Members: Oh, oh.

Some hon. Members: Order.

Mr. Speaker: Before the Leader of the Opposition proceeds I want to remind him that in these statements which are made on routine proceedings there is an opportunity for comment which I think the good sense of every hon. member will dictate should be of a constructive, non-provocative and non-controversial character. Otherwise we are doing that which is not permissible, namely entering upon a debate without opportunity for reply, and that was demonstrated the other day.

So in giving this word of caution my suggestion to all hon. members who take part in such discussions is that they must bear in mind that it is not really a discussion but merely an opportunity for brief comment. I particularly felt that the Leader of the Opposition, in entering into political controversy of this kind which he was approaching, was perhaps getting beyond the proper scope of this kind of discussion.

Hon. members will realize that there are no fixed rules. There is no subject before the house. Comment by a spokesman for each party has been customary; it has usually been brief, and it has usually been constructive. I am sure the house does not want to limit any hon. member to concurrence or approval only, but I think some restraint is in order at this time.

Mr. Pearson: The Prime Minister has given the house a report on this conference. The Prime Minister has taken the initiative in making that report, and that report gives an interpretation to the results of the conference which we on this side do not accept. I am trying to point out, Mr. Speaker, that the result of this conference in our view, in so far as the federal government is concerned with the negative and passive attitude it adopted, is a far cry from the promises and assurances given by the Prime Minister to the provinces earlier.

Some hon. Members: Cheap politics.

An hon. Member: Flouting the rules.

Mr. Speaker: It was at that point I intervened, and I think hon. members will appreciate why I did so. I did so because that is a controversial matter of political and party debate. If the Leader of the Opposition does not wish to attempt to follow our practice I must ask him not to make use of such expressions; otherwise I shall have to consider the whole question of permitting statements at this point on routine proceedings, and of permitting comments to be made on them. The simple fact is that there is nothing in the rules to permit debate, and if hon. members in following this practice which has grown up will not avoid debate I shall have to limit it or have rules which will govern it.

Mr. Pearson: On that point, Mr. Speaker, when spokesmen for the government make statements which are merely factual, any comment by our representative on this side of the house should be factual also. But surely when the Prime Minister or members of the government make statements which are political, and which are interpretative, we have the right to comment accordingly.

Mr. Diefenbaker: May I say that I do not wish to interfere with the right to speak of the hon. member for Assiniboia.

This is not the first time this has happened. It is not the first time the Leader of the Opposition has made a partisan attack—

Some hon. Members: Order.

Mr. Diefenbaker: —on an occasion when he realizes that you, Mr. Speaker, always direct me not to reply. I would point out this fact, that the Leader of the Opposition chooses this subterranean method of making his insinuations, and on every occasion from now on I am going to ask for the right of reply. I simply say this. I am not going to answer the hon. gentleman today, because that would be contravening something which he himself disregarded, namely a direct order from yourself.

Mr. Hazen Argue (Assiniboia): I find myself in a somewhat difficult position. I want to obey your admonition, Mr. Speaker, and I intend to. At the same time I hate to sit out any partisan political controversy that may be going on in this house. There is an overall rule which says we are equal here, although some of us think there are some who are more equal than others.

I want to thank the Prime Minister for having taken this opportunity to report to the house on the federal-provincial conference, because that does give opposition spokesmen a chance to make some brief comment. As has been the custom in the recent past, the federal government approached this conference, I will not say in a negative and passive manner but with a blank sheet of paper. The government was not showing its hand at this conference, except that the Minister of Finance did add up all the proposals which the provincial premiers had made and then got into a controversy as to whether the total was $2 billion or some other figure.

A very definite theme was enunciated by the premiers as they rose one after another, and that was that the revenues of the provinces, as well as of the federal government, depend to a very large extent on the state of our economy. There was great concern at this conference about the weak and unhealthy state of the economy, and it was emphasized that everything should be done to make our economy more buoyant and therefore by that means to increase the revenues of all the provinces.

I was glad that the Prime Minister underlined today this belief in the principle of equalization grants. I think equalization grants are a part of our economic structure in this country today which must be maintained. I feel that in the future greater emphasis needs to be laid on the fiscal needs of the provinces. I would think that before the coming conference this fall there are two general economic areas that should be considered. First of all, there is need to embark upon programs on a co-operative basis which will strengthen our economy. Second, I submit there is need to make a broad attack in the field of welfare measures, and now is the time to go forth.

The Prime Minister has said, and very properly so, that if the many proposals that were made were acceded to by the federal government it would mean far-reaching tax changes. Undoubtedly that is true. I feel that as a parliament, or as a nation, we should not shy away from increased taxes where they appear to be necessary to provide improvements in essential services or to contribute to

an expanding economy. Between now and the conference this fall I hope the federal government will consider economic proposals and will bring in something in the nature of those contained in the green book proposals of 1945, because I think once again our country is at the economic crossroads.

The Prime Minister has said there was greater acceptance among the provinces of the idea of bringing our constitution to this country, having it domiciled here, and there was greater support for embedding in our constitution a bill of rights. I hope the Prime Minister will proceed with all energy to endeavour to get agreement from the provinces so we can bring our constitution to this country and so we can have a bill of rights embedded in it which will provide for a strengthening of human rights and fundamental freedoms in this country.

I have expressed in another place the position of our group; that pending this conference there should be a postponement of further procedure on the bill of rights. I do not intend, Mr. Speaker, to make any further comment on that matter. I merely say the Prime Minister should consider now every practical means of speeding the day when we may have a bill of rights embedded in our constitution.

UNEMPLOYMENT—FEDERAL REACTION TO PROVINCIAL PROPOSALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister. Will the Prime Minister tell us what was the reaction of the government to the proposals made by the provinces concerning unemployment, and particularly to the brief presented by the province of Quebec?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is a very interesting question because, if the hon. gentleman will recall 1955, when a similar conference was convened, the federal government at the initial conference made no proposals nor did it indicate its attitude regarding the agreements that might be entered into. The first meeting, as I remember, was held in the month of April; then there was a later meeting in October. We have arranged, as I mentioned, for a meeting to be convened in October, at which time the federal government, in keeping with the experience of 1955, will submit its views, having secured from the provinces the benefit of their suggestions.

In so far as the particular question of the hon. gentleman is concerned, our discussions in respect of those matters took place in camera, and it was understood that nothing would be said regarding them.

[Mr. Argue.]

Mr. Chevrier: May I ask a supplementary question. The Prime Minister has just made a statement concerning an earlier dominion-provincial conference. Does he not remember that at that time a suggestion was made by the former government for a proposal of unemployment assistance?

Mr. Diefenbaker: Mr. Speaker, the particular conference to which I referred was the one at which, among other things, unemployment assistance was discussed as a subject. The present conference was to be entirely a fiscal conference. During the course of representations, naturally, matters dealing with the economy as a whole were brought forward. My answer still stands; that any replies or views expressed were, it was clearly understood by all present, not to be made public. Indeed, the only statement that came out of the conference was the one that I had cleared with the members of the conference, indicating that there would be a further conference after the preliminary one, in October, and that a meeting of the provincial attorneys general would be held with the Minister of Justice.

INQUIRY AS TO FEDERAL PROPOSALS AT AUTUMN MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask a question of the Minister of Finance, and in asking it, I am sure I should say that the house extends a warm welcome to him on his return from Europe and the federal-provincial conference.

In the light of the statements, requests and demands made by Premier Frost, will it now be the intention of the federal government to revise its program and put forward proposals when the federal government meets with the provinces next autumn, or does the government propose to insist on the position it has been taking that this will not be done until 1962?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, first may I express my unqualified gratitude to the hon. member for his words of welcome. I really had a suspicion that on my return to the house today any welcome I might be accorded by some hon. members opposite might be characterized by warmth.

The hon. member is asking about the period to which the proposals at the autumn conference may relate. The conference which concluded yesterday was called for the purpose of discussing fiscal relations in the period following March 31, 1962. That was the scope of reference of the conference, and the discussions were within that scope. There are

one or two matters on the agenda to which the Prime Minister referred today which are not necessarily confined to that period, but the broad questions all relate to the period following March 31, 1962.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wish to ask the Minister of Finance a related question. The minister was reported in the press as having said that the additional demands of the provincial governments add up to $2 billion. Would the minister give the house a break-down of these demands so it will be available for us in considering his estimates?

Mr. Fleming (Eglinton): Yes, with pleasure, Mr. Speaker. The unrevised record of the conference reports that in the early part of the remarks I was called upon to make following the conclusion of the opening statements by all ten provincial premiers I said:

> ...to give effect to proposals that have been made here today would involve the raising on the part of the federal government and paying over to the provinces or for their benefit approximately $2 billion per annum.

The house will appreciate that I was called upon to speak immediately after the conclusion of the opening statements by the premiers. I had no advance copies of those statements. The calculation was one that had to be made by the Department of Finance under some pressure at the time. Therefore I indicated that the figure I was giving was an approximate one.

There has been an opportunity since to make a further calculation in the department, and the conclusion we have reached is that the approximate cumulative figure to cover the demands of all the provinces which I put forward at that time is somewhat on the low side. I can give the house full—

Mr. Speaker: Order. Before the minister proceeds with details, may I remind him that in his absence yesterday I stopped a question of that kind which an hon. member asked—

Mr. Pickersgill: It was the same hon. member.

Mr. Speaker: —which the same hon. member wished to ask because I felt it was not one which could be answered succinctly enough to qualify for this period of the day. I am not asking the minister to desist, but only cautioning him that if the answer is extended it would be more appropriate to reserve it for his estimates.

Mr. Pickersgill: I am sure the house would like the minister to proceed, because it would be of great help to members of the house.

Mr. Fleming (Eglinton): It would involve a quite extensive reply with a number of figures. I have them here.

Mr. Pickersgill: I wonder whether the minister could not be permitted to put them on *Hansard* without reading them, because it would be a great convenience to the house in considering his estimates to have a chance to study these figures.

Some hon. Members: No.

Mr. Speaker: I hear some objection to that course, and it could only be done by unanimous consent.

BILL OF RIGHTS—APPLICATION OF STATEMENT BY PRIME MINISTER

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I have a question for the Prime Minister which perhaps can be directed to the Minister of Finance, who was present at the conference. It has to do with the public statement made by the Prime Minister in connection with the bill of rights, in which it was stated that the next step will be to preserve and maintain and ensure our freedom by means of a constitutional amendment passed in Canada rather than having a declaration of freedom passed by the parliament of the United Kingdom. The question I had was this. May I ask the minister, who was present, what application this statement has to the bill of rights now before the house?

Mr. Speaker: I think on reflection the hon. member for Laurier will agree with me, or I hope he will, that the question relates to a matter which is within the possession of the house now, and will come back to the house in due course. It is not customary on orders of the day to ask questions which are anticipatory in that sense, that they relate to a matter which is coming up for debate, particularly when it is not strictly a matter of information but of opinion that the hon. member for Laurier is asking. I hope he agrees with me.

Mr. Chevrier: I do not disagree with Your Honour's general interpretation, but the point was that the statement made concerned a matter that was before the house and is still before a committee of the house. I think it is a fair question to ask either the Prime Minister or one of the ministers who were there, what application it has to what is now before us.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the proposal which has been approved to hold a conference in late September or early October with the Minister of Justice and the attorneys general will

provide an opportunity of discussing in relation to the amending of the constitution any subject that arises out of the proposed amending procedures. So far as the bill of rights is concerned, it has been made quite clear by the Prime Minister that it is the government's intention to ask that the present bill be enacted at this session of parliament and that will be a substantial contribution—indeed in the view of the government an essential contribution—to the kind of proposal that has been made in relation to constitutional amendments.

ADMINISTRATION OF JUSTICE

QUEBEC—DISCUSSIONS BETWEEN PROVINCIAL ATTORNEY GENERAL AND MINISTER OF JUSTICE

On the orders of the day:

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister had any discussion with the attorney general of Quebec, as reported recently in the press, concerning the Quebec provincial police and a possible commission to conduct a political investigation?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I noticed the report in the press with respect to a discussion on the Quebec provincial police. I had understood that our talks were private and confidential, at this stage at any rate; but since I observe the press reports that the Quebec officials have said that these talks took place, I see no reason why I should not confirm it. In fact there have been preliminary discussions between the attorney general of Quebec and myself with regard to the Quebec provincial police.

With regard to discussion of a possible commission to make a political investigation, which was also reported in the press this morning, I should say that there was no mention whatsoever of this subject during the talks I had with Mr. Lapalme. I would think, of course, that this is the natural situation, because I would think it would be necessary for me to reject any suggestion that the government of Canada be drawn in any way into a purely provincial political controversy.

EXTERNAL AFFAIRS

POLAND—REPORTED CANADIAN STUDY OF GERMAN TERRITORIAL CLAIM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. My question is based on a Canadian Press dispatch, reported in this morning's *Globe and Mail*, headed "Canada Studies Polish Theory on Bonn Claim", and which reads in part:

> The Canadian government is studying a Polish note asking how far Canada goes in support of a West German claim to territories east of the Oder-Neisse frontier.
>
> No reply to the note has been given yet, but informed sources said today the Canadian government is not likely to give any support to the West German claim.

Mr. Speaker: Order. The hon. member has, I think, laid sufficient foundation for his question.

Mr. Herridge: In view of the great importance of this question, can the minister give the house any information at this time with respect to the government's attitude toward this request?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, a note was delivered by the Polish chargé d'affaires some days ago giving the views of the Polish government on a recent statement by Chancellor Adenauer. This note is being studied in the department and a reply is being prepared. At the moment I cannot give the house any further information.

HUMAN RIGHTS

OTTAWA—REPORTED DISCRIMINATION AGAINST WEST INDIES FAMILY

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Public Works based on a Canadian Press report in yesterday's papers that a West Indies born federal civil servant has said that he and his wife are being kept out of a housing project in Ottawa because they are negroes. Will the minister tell the house whether this Ottawa housing project which has barred a negro civil servant is being subsidized in any way by the government or any government agency?

Mr. Speaker: Before the hon. minister proceeds to answer that question, it strikes me that the operation of housing in Ottawa is probably a matter of municipal responsibility, and the question may be beyond the scope of the minister.

Mr. Argue: May I say a word—

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Perhaps the simplest thing would be to hear the minister.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, in reply to the hon. member for Nipissing, the incident to which

he refers did not happen in a federal-provincial project, did not happen in a limited dividend project, and did not happen in any project which has a mortgage from Central Mortgage and Housing Corporation. Consequently, much as I should like to assist the hon. member, it is beyond my jurisdiction to do so.

I can say, however, that with respect to any projects which are under our aegis or over which we have any control we have already taken steps, of which I have given the house details, and we are also hoping to include a clause in Central Mortgage and Housing Corporation mortgages, to protect people such as my hon. friend has referred to from being discriminated against. Ever since this government came into power in 1957 we have been attempting to do what the Prime Minister has always sought to do, avoid discrimination against anyone on the grounds of race, language, colour or religion.

Mr. Garland: I should like to direct a question to the Minister of Justice. Is there any provision in the Canadian bill of rights which would make this kind of discrimination illegal?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker—

Mr. Speaker: Order. If the minister will permit me, the bill of rights has not yet received final approval of the house, and even if it had I think the question is not the kind that can be asked on the orders of the day. It is really asking for a legal opinion and interpretation of the bill of rights.

Hon. Paul Martin (Essex East): May I ask the Minister of Public Works a supplementary question. In view of the formula which he mentioned today and, also, several weeks ago, the purpose of which is to safeguard, so far as federal competence permits, against any discrimination such as that here alleged, is the minister now in a position to say that the formula could be discussed in the committee on the bill of rights? The minister was asked some time ago about this matter and he said he would give consideration to it.

Mr. Walker: Mr. Speaker, I told the hon. member for Essex East that I would be very happy to notify the house as and when the formula had been finally drafted and was ready to be put in these mortgages, but that date has not arrived yet.

Mr. Martin (Essex East): May I ask a supplementary question.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): This is a very important matter.

Some hon. Members: Oh, oh.

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Mr. Speaker: Order. Is the hon. member asking a further supplementary?

Mr. Martin (Essex East): A further supplementary. Does the minister not recall having said that he would give consideration—

Some hon. Members: Question.

Mr. Martin (Essex East): We are discussing a bill of rights at this time.

Some hon. Members: Question.

Mr. Speaker: Order. I have two problems of order. First, I was unable to hear the hon. member who was interrupted by others and, second, what I could hear rather indicated that he was asking an argumentative question rather than one seeking information.

Mr. Martin (Essex East): With great respect, Mr. Speaker, I was not; I was asking the minister if he did not recall having said to the house that he would give consideration to whether or not he could make available the formula that he had in mind to the committee on the bill of rights rather than await the passage of that bill in this house, in order to make sure that the formula was consistent with the bill of rights.

Mr. Walker: No, Mr. Speaker, I made no such statement.

Mr. Martin (Essex East): *Hansard* will show that.

NATIONAL REVENUE

TORONTO—ESTABLISHMENT OF SECOND HIGHWAY SUFFERANCE WAREHOUSE

On the orders of the day:

Mr. Frank McGee (York-Scarborough): I should like to direct a question to the Minister of National Revenue. In view of my many representations, can the minister now say whether or not he has decided to permit the establishment of a second highway sufferance warehouse in the metropolitan Toronto area?

Hon. George C. Nowlan (Minister of National Revenue): I thank the hon. member for giving me notice of this question, which I received before coming into the house. As he knows, we have had many conversations on this matter. My departmental officials have given it careful consideration and have recently discussed their findings with me. Due to the heavy increase in truck movements from the international border to the Toronto area, as well as traffic movements generally, I have authorized the establishment of a second highway sufferance warehouse in Toronto for the convenience of importers in the eastern section of that city.

Inquiries of the Ministry

Mr. McGee: I wonder if the minister could indicate what site is being considered for this warehouse.

Mr. Nowlan: No decision has yet been made as to the site. This will be a matter for discussion between our collector in Toronto and the people concerned. I am sure, however, the hon. member will be a little hopeful when I tell him that the sites so far being considered are in Scarborough township.

INDUSTRY

AUTOMOBILES—ANNOUNCEMENT RESPECTING APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. N. L. Spencer (Essex West): I should like to direct a question to the Prime Minister. Has the Prime Minister any information to give to the house relative to the representations recently made that consideration be given by the government to the appointment of a royal commission to inquire into the problems of the automobile and automotive parts industries or, alternatively, a reference of the matter to the tariff board?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in answer to the hon. member generally I may say that earlier this month representations were made by representatives of the united automobile workers, and also by the parts manufacturers, in which the suggestion was made that a royal commission should be set up and a full study made of the various aspects of the Canadian automobile and parts industries, or that the matter might be taken under careful study by the tariff board.

We found on looking into the matter that the tariff board has a tremendous backlog of work and, however diligent that board is, it is very considerably behind in its schedule, having regard to the number of matters that have been brought to its attention.

The government has decided that the importance of the automobile industry to the Canadian economy is such that there should be a comprehensive investigation of the various aspects of that industry. During the last few weeks and months several departments of government, the Department of Finance, the Department of National Revenue and the Department of Labour, have been making investigations and gathering preparatory material, generally securing the fullest information in connection with this very important problem. With this background of information available we feel now that a royal commission should be appointed, and the government has so decided. I hope the particulars of the powers and ambit of authority of the commission, as well as the personnel, can be announced next week.

Hon. Paul Martin (Essex East): Mr. Speaker, in asking the Prime Minister to give consideration to the representation on that commission of management and labour, I hope the Prime Minister will also take into consideration the great desirability of giving effect to the recommendations made by the united automobile workers in this context.

SMALL CARS—INQUIRY AS TO TREASURY BOARD DIRECTIVE RESPECTING GOVERNMENT PURCHASES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Finance. Can the minister advise the house whether instructions to federal government departments to purchase small foreign made cars are still in effect?

Hon. Donald M. Fleming (Minister of Finance): There is an interdepartmental committee that is charged with responsibility in these matters. I am not aware of any changes in its instructions in recent times.

UNITED NATIONS

AVAILABILITY OF TECHNICAL OFFICERS FOR UNEF DUTIES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In view of the fact that on two separate occasions Canada's 900-man stand-by infantry battalion for use by the United Nations has not been required but rather that administrative forces have been required, is the department doing anything to make arrangements so that this kind of administrative personnel will be available at all times if required by the United Nations, thus avoiding the long delay in bringing them together?

Hon. G. R. Pearkes (Minister of National Defence): The matter is under consideration.

HARBOURS

NATIONAL HARBOURS BOARD—REPORTED LACK OF PROMOTION OF CANADIAN PORTS

On the orders of the day:

Mr. M. E. Barrington (Chateauguay-Huntingdon-Laprairie): I should like to direct a question to the Minister of Transport arising from an article in this morning's *Gazette* which states in part:

> Federal promotion of Canadian ports by the national harbours board was attacked here yesterday as "weak, ineffective and without any continuity."

Has the minister any comment to make on this statement?

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. The national harbours board has never conducted promotional activity on behalf of any single port, but has related its advertising and publicity to all ports under its jurisdiction. The board maintains a continuous advertising campaign throughout each year in the trade papers and magazines which are of direct interest to shippers and manufacturers. Further, it is in constant contact with export, import, traffic and manufacturing groups, urging the greater use of Canadian ports generally.

In the foreign field, the board has recently strengthened its association with the Canadian trade commissioners and has established a good working relationship under which they have agreed to promote traffic and interest in Canadian ports within their respective areas. Recently the board sent to the United Kingdom an exhibit for display, both there and in Europe, featuring enlarged photographs of the various ports and essential information as to their facilities and services.

The promotional program of the board is at present under review to determine the most effective means of further bringing Canadian port services to the attention of world shippers and manufacturers.

COMMONWEALTH RELATIONS

SOUTHERN RHODESIA—INQUIRY AS TO CANADIAN DISCUSSIONS WITH U.K.

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Secretary of State for External Affairs, arising out of the well known attitude of the government that countries within the commonwealth should come as quickly as possible to full nationhood where their citizens have equal rights. In view of recent press reports of mounting unrest in Southern Rhodesia in respect of the denial of rights to eight million negroes, has the Canadian government entered into any discussions with other commonwealth countries—

Mr. Speaker: Order. I think the hon. member is enlarging the responsibility of the government too much. It seems to me that the relations of Rhodesia are with the crown in the right of the United Kingdom and not of Canada, and that the matter would be quite beyond the administrative responsibility of the minister. If the hon. member who wished to ask the question can persuade me to the contrary I will permit it, but at the moment I do not see it.

Mr. Argue: May I put the question in this way, Mr. Speaker. Has our government had any consultation with the government of the United Kingdom as to the situation in Southern Rhodesia and the desirability of bringing this country to full nationhood wherein its citizens have equal rights?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, in reply to this question may I point out to the hon. member that the government of the United Kingdom does no need any prompting by Canada or any other nation on the question of promoting democracy in the various parts of the commonwealth. I am greatly surprised that he would suggest that we should try to prevail upon the United Kingdom to do something about speeding up the giving independence to members of the commonwealth.

Mr. Argue: And removing racial discrimination.

Mr. Green: When the United Kingdom has actually launched five different nations, namely India, Pakistan, Malaya, Ceylon and Ghana and is launching Nigeria on the road to independence within the next few weeks, I suggest that she does not need any suggestions from Canada or from the hon. member for Assiniboia with regard to the need for this action.

Mr. Argue: Mr. Speaker—

Mr. Speaker: Order. I do not think I could permit a supplementary question on that subject.

Mr. Argue: If I might be permitted—

Mr. Speaker: I recognize the Minister of National Defence.

[Later:]

Mr. Argue: I wonder whether I might ask another question of the Secretary of State for External Affairs. Has the government had any recent reports on the racial situation in South Africa, and does the government's attitude in opposing racial discrimination in South Africa also extend to Southern Rhodesia?

Mr. Green: Mr. Speaker, I suggest to you that again is an argumentative question and not of the type which can be asked on the orders of the day.

COMMONWEALTH CONFERENCE

AUSTRALIA—CANADIAN REPRESENTATION AT MEETING ON NAVAL CO-OPERATION

On the orders of the day:

Hon. G. R. Pearkes (Minister of National Defence): Yesterday the Leader of the Opposition asked a question which I took as

notice, as to whether Canada was represented at the three-day commonwealth conference recently held in Australia to discuss naval co-operation and, if not, why not?

The conference in question was in no sense a general commonwealth conference but was restricted to certain officers of the Royal Navy, the Royal Australian Navy and the Royal New Zealand Navy. The object of the conference was to discuss certain technical matters in connection with a naval exercise and manoeuvre which is to take place in southeast Asia. The reason no Canadian officers were present is that no Canadian ships are taking part in those exercises.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

CORRECTION OF REMARKS IN RESOURCES DEBATE ON JULY 27

On the orders of the day:

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): Yesterday on my estimates, Mr. Speaker, I was reading a report of the survey that was made of the provinces as to their various statutes and legislation on archaeological site protection. During the discussion of my estimates I stated that in Saskatchewan there were no such regulations. I received a phone call this morning from the director of the museum saying there is an act respecting provincial parks and protected areas, chapter 50 of 1953, which was amended by chapter 14 of 1958. I should like to make this correction.

Mr. Chevrier: Is this an attempt to open up your estimates?

AGRICULTURE

DEFICIENCY PAYMENTS—MEETING WITH WESTERN FARM ORGANIZATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Agriculture whether any reply has now been sent to the message from the representative of the western liaison committee of grain growers dated May 10, 1960, requesting an opportunity of meeting the Prime Minister and his cabinet colleagues in order to discuss at their earliest convenience the question of acreage payments?

Hon. D. S. Harkness (Minister of Agriculture): I believe that all communications from these gentlemen have been replied to.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question based on a statement attributed to the minister which appeared in the Regina *Leader-Post* of July 7:

> No federal aid for Saskatchewan farmers other than the acreage payments announced by the federal government several months ago are in store for the near future Agriculture Minister Douglas Harkness told the *Leader-Post* Wednesday night.

My question is this. In view of that statement, when is the minister going to announce this acreage payment program?

Mr. Harkness: Mr. Speaker, I did not tell the *Leader-Post* any such thing.

Mr. Martin (Essex East): Misquoted again.

An hon. Member: A government of misquotations.

Mr. Fleming (Eglinton): An opposition of misfits.

Mr. Pearson: May I ask a question supplementary to the one I just asked the Minister of Agriculture. Can the minister give us the nature of the reply made to this telegram of May 10?

Mr. Harkness: These telegrams were not addressed to me. They were addressed to the Prime Minister. The nature of the reply, and so forth, I think should come from the Prime Minister, not from myself.

Mr. Argue: A supplementary question. Would the minister make inquiries as to whether or not any reply was made, since the farmers' union say that such a reply was not received?

Mr. Harkness: I had my files searched and there were no communications which had come in with regard to this matter from the Saskatchewan farmers' union or from the interprovincial farm union.

PRIVILEGE

MR. HERRIDGE—REFERENCE TO ARTICLE IN OTTAWA "CITIZEN"

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise with great reluctance on a question of privilege. My question of privilege arises out of a press report in the Ottawa *Citizen* of yesterday evening with respect to a certain statement made by the hon. member for Russell (Mr. Tardif) at a board of control meeting recently. In order to get the point correctly I just wish to read briefly, as follows:

> At one point in the meeting the discussion produced reference to the facilities sought by "M.P.'s" when they are sick. "I understand they do not always stay in the best of places, observed Mayor Nelms." Countered Con. Paul Tardif, who is M.P.

for Russell: "There are M.P.'s who are not accustomed to anything... There are five rows of them in front of me in the house."

My question of privilege is this, Mr. Speaker, and I rise more from a feeling of hurt than from a sense of anger. While members of this group are members of the working class and consequently are able to make only modest expenditures on food, dress and habitation, I consider it most unfair and ungentlemanly of a colleague in this house or any colleague who enjoys better financial circumstances to ridicule our humble circumstances.

SUPPLY

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

DEPARTMENT OF DEFENCE PRODUCTION

66. Departmental administration, $8,323,356.

The Chairman: Order. House in committee of supply, Department of Defence Production, item No. 66. This item is to be found on page 16 of the blue book, the details on page 153.

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Chairman, the estimates of the Department of Defence Production have been the subject of consideration by the special committee on defence expenditures; accordingly I do not propose to make a lengthy statement at this time. First of all, however, I would like to express my appreciation and thanks to the members of the special committee for the work they have performed and also for the action that has been taken in approving my departmental estimates and commending them to this committee. I would like in particular to express my appreciation to the hon. member for London, who carried out his duties as chairman of the special committee in such a splendid manner.

I would now like to refer to the content of the departmental estimates, and in this connection I propose to follow the order of the votes, Nos. 66 to 74 and votes 508 and 509 in the supplementary estimates.

Vote 66 shows an increase of $774,000 over last year's estimate. The largest individual item which contributes to this increase is salaries. In this regard I would like to point out that for the first time in eight years we have found it necessary to ask for an increase in staff. This increase amounts to an addition of 74 new positions, of which 42 are required for the intensified activities in connection with the Canada-United States joint production sharing program.

Vote 67 and supplementary vote 508, for the care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling, provides some $90,000 less than the total provision made last year, but about $450,000 more than was actually spent in 1959-1960. The provision under this vote is contingent to a great degree upon decisions which must be taken during the course of the fiscal year, and requirements therefore cannot be forecast with any close accuracy.

Vote 68 provides for capital assistance to industry and for the underwriting of certain tooling preproduction costs involved in bids submitted by Canadian industry for United States orders under the production sharing program. There is also a substantial contingent element in this vote, as it is not possible to anticipate the opportunities for bidding which are going to be open to Canadian industry nor the degree of success which they will enjoy. The total provision made this year is slightly less than that of 1959-1960, owing to a reduction in the forecast requirements for capital assistance.

The plants covered by vote 69 have been acquired by the crown under the capital assistance programs of previous years and are operated by private contractors on the same basis as industrial plants. The grants to municipalities in lieu of taxes are computed on the normal assessment evaluation by the municipality, taking account of the services rendered, and are estimated to equal the taxes which would otherwise be payable.

The provision made in vote 70 to establish qualified sources of supply of component parts and materials is identical with that made in 1959-1960. This is a selective program in which we must weigh each case in the light of the quantities of components likely to be required and existing manufacturing capabilities on which we can build. While it is intended primarily to establish sources of components which will be needed for future Canadian military requirements, the likelihood of United States defence requirements is also taken into account.

Vote 71 continues the provision which was made for the first time last year to support select defence development programs as part of our Canada-United States production sharing program. It is becoming increasingly clear that as a result of the rapid pace of change in military equipment, the future success of Canadian industry under the production sharing program requires that Canadian engineering capacity be maintained and advanced to the greatest extent practical.

Votes 72, 73, 74 and supplementary vote 509 relate to crown companies. Vote 72 provides for the expenses incurred by Defence Construction (1951) Limited in procuring the

construction and defence projects on behalf of the Department of National Defence. During the past few days it has been possible to obtain a firmer estimate of the construction work required during the current fiscal year and it will be possible to reduce the vote requirement for the current fiscal year by $250,000 to a revised figure of $3,626,117. I propose to ask one of my colleagues to move an amendment in this connection when we reach the vote in question.

Vote 73 and supplementary vote 509 provide for an increase in the provision made for administrative expenses of Canadian Arsenals Limited. As I explained in my statement on the estimates for 1959-60 the decline in the sales of this company has made it necessary to revert to the practice of appropriating funds to cover a part of its administrative costs. At the time the main estimates for the current year were prepared it was thought that this financial requirement could be reduced by accelerating the production of ammunition needed by the navy in future years. Subsequently it has been found impractical to do this and the additional funds must therefore be sought under the supplementary estimates.

As regards vote 74 I would point out that the provision for the cost of construction improvements and new equipment for Canadian Arsenals Limited has been substantially reduced. This vote covers capital costs of a general nature and excludes any sums attributable to specific programs which would be covered by vote 68. The reduction is, of course, a reflection of the reduced volume of operations at Canadian Arsenals.

As I have already pointed out to the special committee on defence expenditures, there is an important new function reflected in these estimates. An emergency supply planning branch has been established within the Department of Defence Production to undertake the planning and organization necessary to permit a war supplies agency to come into existence immediately should a nuclear attack be made on this country. As the Prime Minister explained when advising this house of the government's decision to assign this planning task to the Department of Defence Production, the war suplies agency would be charged with responsibility and authority for all aspects of control over the production, distribution and pricing of supplies, both civil and military, during at least the early period of a nuclear war, other than production on the farm and the catching and landing of fish. Such a war supplies agency would combine the responsibilities carried out in the last war by the department of munitions and supply and the wartime prices and trade board.

[Mr. O'Hurley.]

I wish to emphasize that this new branch is a planning agency and should not be confused with the war supplies agency itself. Broadly speaking, the functions of the emergency supply planning branch with respect to supply planning are analogous to those of the emergency measures organization in the field of civil emergency planning generally. In addition to being responsible for the preparation of a basic plan for the creation of a war supplies agency, it will thus also have responsibility for co-ordinating those aspects of emergency supply planning that are properly the responsibility of other branches of the Department of Defence Production or of other departments and agencies of the federal government, particularly planning in the Department of Trade and Commerce, the Department of Agriculture and the Department of Fisheries.

The initial staff of the emergency supply planning branch is small. In the future it is intended to establish a number of regional offices of the emergency supply planning branch across the country, similar to those already established by the emergency measures organization of the privy council office.

At this time I would like to deal with certain matters which arose in the course of the consideration of these estimates by the special committee. The hon. member for Trinity inquired as to the status of Iroquois engine tooling. In this connection I can report that from the early development stages of the Iroquois engine, many groups engaged in aircraft production have expressed interest in using this power plant in various types of aircraft. My department and Orenda Engines Limited have received inquiries from governmental agencies and private interests in North America and Europe.

Officers of Orenda and of my department are co-operating in discussions with all groups who may be in a position to complete the development and put the Iroquois into production. The future use of the engine is now under serious consideration by one aircraft manufacturer in the United States. Proposals have been submitted to the manufacturer, and these are presently undergoing technical and economic evaluation. I regret that I cannot reveal the name of the manufacturer or any of the details at this time, because a premature announcement would not be conducive to the successful completion of negotiations.

Interest in the Iroquois for the purpose of furthering the "state of art" has been shown by a company in the United Kingdom. This company has requested the use of one engine and we have agreed, in principle, to make one or more engines available in the event that

the engines are not required for the production program which is now under consideration.

In the meantime 13 completed prototypes, components sufficient to complete an additional seven engines, and all essential tooling are stored in the crown-owned high altitude test facility at Malton. This facility is not in current operation but is being retained for future use. The storage costs are therefore negligible.

The hon. member for Renfrew North stated that invitations to tender are submitted to both wholesale and retail stores in Pembroke. My departmental officials have investigated this matter and I have been advised that the invitations to tender by my department, which relate to food requirements in the Pembroke area, are not directed in the manner suggested by the hon. member. The cases he has in mind may concern small local purchases which are made direct from the trade by service officers in connection with the requirements of various messes and canteens.

The hon. member for Renfrew North also suggested the inclusion of a clause dealing with the employment of local labour in contracts covering the construction of housing units at Camp Petawawa. As the chief engineer of Defence Construction (1951) Limited pointed out to the special committee, the construction of these units is a responsibility of Central Mortgage and Housing Corporation. The comments of the hon. member have been brought to the attention of that corporation. As regards the firm price construction contracts which are placed by Defence Construction (1951) Limited, I would like to point out that the general conditions covering such contracts provide as follows:

> To the full extent to which they are procurable, consistent with proper economy and the expeditious carrying out of the work, the contractor shall use Canadian labour and material in the work and shall employ labour from the locality of the work and reasonable proportions of men who have served on active service with the armed forces of Canada and been honourably discharged therefrom.

I am not going to make any further comments at this time. However, I shall be most pleased to deal with any questions that may arise as we proceed with the consideration of the estimates.

Mr. Hellyer: As the minister has stated, his estimates were considered by the special committee which examined governmental expenditure, and since we went into this subject at length it is not our purpose to ask a lot of questions in committee of supply today.

However, there are a few questions we should like to put to the minister, and the first is this. Some time ago there was newspaper speculation about the possibility of obtaining for Canada a very large order for picket planes, long range radar aircraft. I wonder if the minister could tell us what happened in that case; whether the order has been let by the United States government and, if not, whether there is still a possibility of obtaining it for Canadian manufacturers.

Mr. O'Hurley: I am advised that the United States did not continue with the purchase of these planes. As far as we know they have not purchased the planes in question.

Mr. Hellyer: Can I take it from that reply that as far as the minister knows there are no current negotiations which may lead to a Canadian order in this respect.

Mr. O'Hurley: Not at this time.

Mr. McIlraith: I should like to ask the minister a question. I realize there is difficulty in obtaining an accurate statistical analysis because of the very nature of the operation, but is it fair to say that the volume of procurement for the armed services is down? The estimates of the department would tend to indicate that, and I wonder if the minister would go as far as is practicable in giving us information as to the volume of procurement this year as related to the last few years.

Mr. O'Hurley: In my report to the committee I dealt with this subject. I should just like to repeat that part of the brief I read.

Mr. McIlraith: Would you give me the page reference?

Mr. O'Hurley: Page 5 of my report. I might sum up by giving a few figures which are particularly relevant. We spent for supplies and services, on behalf of the Department of National Defence, $654 million. This was about 12 per cent lower than the level of expenditure in 1958-59 and continued a decline in defence production expenditures which has been going on for some years. Out of the total spending last year, $593 million went directly to contractors in Canada. To put it in another way, expenditures by our department going to foreign contractors represented 9.3 per cent of the total payments during 1959-60.

Does that answer the question asked by the hon. member?

Mr. McIlraith: It does in part. As I say, I recognize the difficulty of giving precise information. Perhaps we could approach the subject from another direction. Can the minister tell the house in general terms the total number of staff in his department this year as compared with the last three years,

or over a shorter period if the figures for the last three years are not available at the moment.

Mr. O'Hurley: There was no increase in the staff of the department for eight years; there were even considerable reductions. In 1959-60 the total number of staff was 1,510. We went into the production sharing program, and there has been an increase this year for the first time in eight years. For 1960-61 we plan on having a staff of 1,584, which is an increase of 74. These are positions available; the actual number of staff is somewhat less.

Mr. McIlraith: That is the establishment?

Mr. O'Hurley: Yes the establishment. The actual staff on March 31, 1959 amounted to 1,441. On March 31, 1960, it was 1,476 and on June 30, 1960, 1,483.

Mr. McIlraith: I think the point I wanted to make can be made from the figures given by the minister. The staff of this department has been decreasing for some seven or eight years. This year, for the first time, the establishment is increased. This raises a point which should be watched, namely that there is an increase of staff and administrative costs in a department which is facing less procurement responsibilities at a time when there is less material to procure.

Perhaps the point can be dealt with better when the estimates of the Department of National Defence are before us and we shall be dealing with the actual procurement for defence purposes in this country, but I wanted to put that general warning on record; that there is a problem here which will require to be watched, and watched carefully, because at the very time we are reducing our procurement program for the defence department, as we have been doing for the last couple of years, we are increasing the administrative organization of the department which is charged with the responsibility of procuring those supplies, materials, equipment and so on. This is something that I think should be drawn to the attention of the committee for checking and watching in the future.

Mr. Hellyer: Mr. Chairman, it looks as though government departments have to be on guard at all times with respect to Parkinson's law, that staff increases to fill the time available. The minister will keep this in mind as he considers his establishment from year to year.

Can the minister tell us the present state of negotiations with respect to the proposed United States purchase of CL-44 aircraft from Canadair Limited? As the minister knows, there were reports in the newspapers which indicated first of all that there was a possible order of some $900 million for those aircraft. Later reports indicated that the figure was reduced to something of the order of $150 million or $160 million. Can the minister bring us up to date on the matter?

Mr. O'Hurley: Mr. Chairman, in reply to the request of the hon. member for Trinity, I should like very much to be able to give full information to the hon. member at this time. If Canada is to have an interceptor, it will have to be a military requirement; it will also have to be the policy of the government. With respect to the question of the exchange of the CL-44, on the one hand and the F-101 from the United States on the other, this matter is under active discussion at the present time with the government. I should like to be able to make a declaration, but no decision has been made up to this date.

Mr. Hellyer: The minister is stating, then, that the purchase by the United States air force of the CL-44 cargo carrier is dependent on the purchase by the Canadian government of a certain number of interceptors to be supplied to our air defence squadrons? Is that correct?

Mr. O'Hurley: The position of the government and of the Department of Defence Production has been and is still today that we would wish the United States to purchase from us the CL-44, and the other question can be discussed at another time. It is fair to say that one of the conditions that is being discussed is the exchange of the two planes.

Mr. Pearson: Mr. Chairman, the figures that have been given on the increase in staff are interesting. The minister has indicated that it is due to increased work, and I do not quarrel with that statement at all. I know how hard working the members of this department are, but it is nevertheless interesting to relate this increase to the reduced work of the department in so far as production is concerned for the armed forces.

But that is not really what I rose to speak about, Mr. Chairman. The minister has told us that this question of the possible exchange of the CL-44 air freighter for United States interceptors for our continental defence squadrons is now under consideration; indeed it has been under consideration for some time. It would be a very unfortunate thing indeed if this principle of defence sharing were applied, not only in this connection but in any other connection, in a way which brought about the result that "if you wish the U.S.A. to purchase certain material from Canada, which it may need and which it can get in Canada, we must in return purchase certain defence material in the United States to offset against that".

I am not suggesting that any such principle is being applied in that hard and fast way, but there have been indications that this is the situation in regard to this particular proposal. It would be most unfair for the United States to take that stand. For one thing, it would be pressure brought to bear on a Canadian government to do something which it might not otherwise feel necessary or desirable to do.

If this principle of defence sharing means anything at all, and it certainly should mean something, it means sharing—and not in the way I have suggested—in defence production generally, and it means sharing in the production of defence materials. The United States has certainly shown no awareness of the application of that principle in connection with such an essential defence material, for instance, as uranium. That has nothing to do with the minister's department, and I am only bringing it up as an illustration of the general argument I am making.

In connection with the CL-44 proposal—and I know how important this would be for the aircraft industry in Canada if it could be followed through, and I know the minister's department is doing its very best in this regard—I should like to ask the minister this question. Perhaps I should know this, and if I am ignorant on the matter I hope he will accept my apology. Has the bill which was submitted to the United States congress some months ago by Senator Monroney, which would have had the effect of compelling the United States federal government to underwrite 75 per cent of the cost of constructing air freighters built in the United States, made any progress? Has it been passed or not? If it has been passed, of course, it would have an effect on this whole problem. It is interesting to note that this bill was submitted to congress, I think last February, by Senator Monroney, who is a very great friend of Canada and who has been quoted in this house by the Secretary of State for External Affairs as having given some resounding utterance about continental co-operation in continental defence. This is the kind of bill which, if it were to prevent Canadian competition in the defence field, would hardly be a reflection of that kind of defence co-operation and defence sharing that I would like to see brought about.

Also, it is difficult, at least difficult for me, to get the facts and statistics regarding the defence sharing program. I know how difficult it is to make exact comparisons on this matter or to get statistics on military buying by the United States in Canada and comparable military buying by Canada in the United States, which it was hoped would be facilitated, and of course we hoped to our advantage, in the defence sharing agreements about which we have heard so much. I remember reading in the January 23 issue of the *Financial Post* an article on this matter by its Washington correspondent. In that article there was a table which gave figures of direct military buying by the United States in Canada which would indicate that that buying has gone down very considerably since the years 1952 and 1953.

But those figures, which I remember reading at the time, which I have before me and which perhaps are familiar to the minister or his officials, do not harmonize with the figures that are quoted in appendix F to the report of the minister's department, table 6-a and table 6-b, and to which reference is made in the body of the report. Table 6-a shows United States contracts and expenditures in Canada just for the last three years. They do not go further back than 1957. Table 6-b is the value of expenditures by the United States government on defence contracts placed in Canada through the Canadian Commercial Corporation and Defence Construction Limited. These figures are not comparable, even in respect of the years which they cover, with the figures that were produced in the article I have mentioned. But if that earlier compilation is correct it does indeed show that we have not made very much of an advance in recent years so far as United States defence purchasing in Canada is concerned. Perhaps the minister might have something to say on this point.

Mr. O'Hurley: First of all may I say to the Leader of the Opposition that the Monroney bill, which was discussed at length and whose introduction came as a surprise to Canada, was finally quashed and was never passed. It was shelved. With respect to purchase of the CL-44 by the United States air force, my information is that there is no impediment whatsoever and that the United States could purchase these planes from Canada.

The Leader of the Opposition spoke about our intensified efforts to get into the field of production sharing with the United States. I want to be quite frank with the Leader of the Opposition. I am not enthusiastic about the results to date myself. I think it is a long range program. In my view we have to start now to get into this field, which involves engineering because there is a complete change-over in armaments. If Canada wants to produce in this field we have to start now and probably the first results will not be very satisfactory.

Last year was the first year that we really kept records, and we did not have the staff to do the work. We did it with our ordinary

office staff which we had to spread out fairly thin. One reason we have had to increase our staff is that we were sending too many of the boys to the hospital. Production sharing is a very difficult matter. A lot of credit has to be given for keeping the program alive. Many Canadian companies have shown their interest by writing us or visiting the department and they are quite pleased with the results, but of course not all companies are happy about it. There are companies that are not pleased and where the results have not been good.

So far as the long range program is concerned involving production sharing by Canada and the United States, I give my frank view to the Leader of the Opposition that we have to keep harping on the subject, working on the matter and putting forth all our efforts to reach an understanding. I wish to say that I think the United States officials on the secretarial level and the heads of departments in the Pentagon realize the usefulness of the program and have really made quite an effort to help. But in the United States so much of their defence program is concerned with the missile field, and there are many contracts that are allocated. My goal was that the United States should spend at least an equal amount on defence production in Canada as we spend in the United States. At least it would have been something if we could have equalized our purchases in the United States. This year we will not do so on account of the expensive purchasing for the CF-104 program, involving licensing and so on.

We will certainly not achieve that result unless we are fortunate enough to have something unexpected happen before the end of the year. Several projects are being studied. I want to give credit to the secretaries in Washington and the heads of their departments for their real interest in doing something about production sharing. However, I still make the statement that the situation could be much better and that the present state of affairs is no fault of the department. We are doing everything we can with respect to production sharing under these different programs in the years to come.

Mr. Pearson: I do not wish to minimize the importance of the program, its difficulties or the efforts that are being made by the officials of the minister's department to realize it. I think one aspect of this difficulty may well be that a defence production sharing program of this kind inevitably becomes linked with co-operation in defence strategy and defence generally. There is an interrelationship between defence production and defence generally which can operate to our advantage, but when we are dealing with such a powerful nation can also operate to our disadvantage. I am sure the minister is much more aware of this than I am. For instance, on page 25 of the report of the minister's department there is the following:

> At the beginning of 1959, production sharing arrangements were based mainly upon four projects of mutual Canadian-United States interest: the Bomarc anti-aircraft missile, the semi-automatic ground environment (SAGE) control system, heavy radars and gap fillers for the radar lines.

These are four projects which, though it is an arguable matter, in our view may well be of much greater interest to the United States than to us. Indeed our position is that we should not be participating in at least one of these projects at all. I mention that just to illustrate the interrelationship I have talked about and which undoubtedly will have a bearing on the minister's laudable desire to increase United States purchasing in Canada and bring it to a basis at least of equality with our own purchases from the United States. These as he has mentioned, have increased during the years because of the CF-104 contract and presumably the necessity of remodelling the earlier version to make it suitable for the purpose which the government has in mind of equipping our squadrons in Europe with it. I have just been reminded that no doubt this is another major worry in the minds of the minister and his officials as to how this can be done and at what cost.

I should like to ask the minister one other question, and again I refer to page 25 of the 1959 departmental report, where there is reference to the arrangements which were made for exemption from the buy American act through a revision of the buy American regulations in order, presumably, to make it a little easier for our manufacturers to get contracts in the United States. Is the minister satisfied that these amendments to the regulations are working satisfactorily from our point of view and that our people are indeed given a fair opportunity to compete with United States manufacturers for these defence contracts?

Mr. O'Hurley: In reply to the last remarks of the Leader of the Opposition, I honestly think that the changes in the buy American act regulations are really fair to Canadian manufacturers.

Mr. Hellyer: Mr. Chairman, at the time the Avro Arrow was cancelled the Prime Minister informed the house that Canada was no longer able to participate in major development in this country, and he announced this new and visionary production sharing arrangement which he thought would be

of benefit to both countries and which we have been told is coming along slowly but is still pretty much in the early growth stage.

Subsequent to that, of course, our government arranged to purchase the F-104, which is to be built by Canadair in Montreal. The developmental work, however, is being done by the Lockheed Aircraft Corporation in Burbank, California. The other day I saw a list of some of the major modifications necessary to this plane before it would be suitable for the role the government has in mind for it. This list covered two whole pages, which seems to be a fantastic amount of developmental work that is presently being done for Canada by the United States.

At the same time that the Prime Minister made this announcement, he said that in our production sharing arrangements we were going to obtain from the United States some developmental work. We were not going to be satisfied with just production, but we were going to insist that we have a share in the developmental work. Now, Mr. Chairman, my question is this. What developmental contracts have we succeded in getting from the United States armed forces, and to what do they amount in terms of dollars and cents?

Mr. O'Hurley: In answer to the first question asked by the hon. member for Trinity, I wish to inform the committee that the changes made in the F-104 for its Canadian role are being paid for jointly by Canada, Germany, Belgium, Holland and Italy. We are partners in so far as payment for these engineering changes is concerned. In so far as developmental contracts that we get from the United States are concerned, I have not that information at hand but I will give it to the hon. member as soon as I obtain it.

Mr. Hellyer: In the meantime I should like to ask the minister another question. He made reference today to the amount in these estimates for the storage of the Iroquois engine since production and development were discontinued. My question is really this. If we have not been participating to any great extent in the developmental projects of the United States, if the government had any faith whatever in this engine and its potential—as it must have had or it would not have kept the prototype in storage at public expense—and if the government anticipated that there would be opportunities for the sale of this engine; if production sharing were really working, if the system were sound, why would the Canadian government not have gone ahead with the development of this engine and put it into production? Then they could try to exchange it with the French or United States governments, as well as others who might need it, and get in return the military equipment which they have available and which we could have used for our armed forces.

Mr. O'Hurley: Well, Mr. Chairman, we certainly had hopes that the Iroquois engine would have a future. We have been working for some months with the United Kingdom in relation to the future development of this engine, and we are working with the United States in connection with the future development and use of the Iroquois engine. We are certainly following this situation very closely. We have some hopes that this Iroquois might be developed in the future in collaboration with some other countries, and that the engine might be brought to the point where it is supposed to be as a new power plant.

However, at the moment I cannot give any assurance to the committee that this project is going to really be a success. We are hoping it will be. We are hoping that the Canadian engineers who have worked on the Iroquois engine will have made a contribution to the future. The Canadian government has great faith in Canadian manufacturers, Canadian engineers and Canadian developers, and given the opportunity Canadians will be out in front with new developments and will make their mark in the world.

Mr. Hellyer: The government had the opportunity to assist in the completion of the development work on this engine. The government showed a complete lack of faith in the potential of the engine when it laid it aside in moth balls for this period of two years, thus allowing it to drop further behind in this very competitive field. Surely the government is demonstrating a lack of faith in its own salesmanship, because if it had any confidence in its own ability to make production sharing arrangements really work it would have gone ahead with this project, developed the engine to the place where it was pre-eminent in its field, and then proceeded to make a swap with other countries for the military equipment that Canada needed. Obviously the government has no faith in Canadian industry, and no faith in itself. We feel that the whole policy of the government in the last two years has been timorous and lacking in imagination, and this has been evidenced by the contracts we have received and the lack of results achieved.

Mr. O'Hurley: Surely the hon. member has forgotten some of the history of Canada. He is forgetting the latest developments in which Canada has participated. We have contributed to the development of the Caribou by De

Havilland, which has proven to be very popular. What about the help we have given to Marconi in connection with the development of the doppler system? What about the help we have provided for the sonobuoy that the United States has bought? Within the last week or so Air France has shown an interest in the development of this doppler system. We certainly have faith in Canadian industry and Canadian engineers who developed the Iroquois engine. We have kept the Iroquois, and we have faith that at some time in the future we might find a country interested in it and that we might jointly develop this engine. I feel that Canadian engineers are tops, and they enjoy a lot of respect all over the world.

I wish my department had hundreds of millions of dollars available to spend on Canadian development to help Canadian engineers and Canadian industry, because everywhere in the world Canadian engineers and Canadian industry are highly respected. Here is a list of Canadian developments. There is the doppler navigation aid by Canadian Marconi; the radome development, Long Sault Woodcraft; the 500 HP turbine engine by Canadian Pratt & Whitney; the V/STOL aircraft, Canadair Limited; the Caribou improvement, De Havilland Aircraft; electro servo valve, Jarry Hydraulics; hydraulic pump, Lucas Rotax; oximetry, Aviation Electric; extended life sonobuoy, EMI-Cossor; Avrocar, Avro Aircraft; fuel system J.69, Lucas Rotax. These are some of the developments on which we are spending money and encouraging Canadian industry and Canadian engineers. I think this demonstrates our interest and our faith in Canadian engineers and industry.

Mr. Hellyer: I wonder if the minister would tell us in how many of the cases he has just cited the Canadian government participated in the development through all stages to completion, and can he give us the dollar total of the government's assistance?

Mr. O'Hurley: In answer to the hon. member for Trinity, I may say that none of these developments has been completed as yet. It is very difficult to give a figure up to completion, because they are still in the developmental stage.

This is Canadian money put in on development, and we are continuing that. But they are still under development at the present time as the hon. member for Trinity knows. I spoke about doppler aid for the Canadian Marconi Company. That is what I was telling you. Air France are interested in that doppler system. Then there is the extended life sonobuoy at EMI-Cossor. But there is still development going on in each one.

[Mr. O'Hurley.]

Mr. Hellyer: I thank the minister for the information. We give the minister and his department full credit for everything that is being done. The point, however, is that this is a small contribution when considered in proportion to the total industrial capacity of our nation at the present time. It is expansion on a considerable scale that we feel the government should have undertaken or should still undertake. I wonder whether the minister has now a list of the development projects which he has obtained from the United States government and about which I asked him earlier.

Mr. O'Hurley: I cannot give a complete report of it here with the papers I have before me. I should be pleased to give it in the house or the hon. member if he so desires. We have not the list with us today of this development and production. Some we obtained as an exchange of civil suppliers on the CF-104 program. Different companies are given part contracts. We have got into production sharing since about January 1, 1959. For example, we have concluded about $35 million of contracts from the United States government in production sharing since January 1. Many of them are projects that come in on this estimate. If the hon. member desires it I shall be pleased to give him the information.

Mr. Hellyer: I would appreciate receiving it some time at the minister's convenience. Will the minister agree that this portion of the program involving Canadian development of new projects is a small proportion of the amount of Canadian funds being expended in the United States for the development of military equipment?

Mr. O'Hurley: For the development of military equipment, the hon. member says. The main development of military equipment that is being done at this time is the reconfiguration of this CF-104 for the Canadian needs in Europe. As I said before, this cost is being shared with Germany, Holland, Belgium and Italy. I think it was a satisfactory arrangement for the Canadian government when we went into this arrangement. I think it was encouraging that we succeeded in getting this arrangement made. My officers tell me that the hon. member for Trinity raised this matter last year, namely that we should get co-operation from those countries in Europe in order to help in the development. We listened to that advice, and we obtained that help.

Mr. Hellyer: I am glad the minister listened to my advice but certainly not in respect of this aircraft, because I do not think it is a good aircraft for the job. I

think he is having some difficulty in trying to go into production of an aircraft which is not even designed yet. I should like him to tell us about those problems.

Mr. O'Hurley: We have no problems on this design. The program is on time and we are going ahead on schedule with the production of this plane.

Mr. Hellyer: I have one final question on this item. Can the minister give us an estimate—and he probably may be reluctant to do so—as to what he expects the total dollar volume of United States purchases in Canada for defence equipment to be in the coming year to increase or decrease as compared with the year just past?

Mr. O'Hurley: It is rather difficult for defence production to give this figure. After all, we purchase when we get a demand from the Department of National Defence. We have not this facility of reading the mind of the Department of National Defence. It is therefore useless on my part to try to give a figure, as to whether it is going to be comparable to last year, until we determine what national defence will require from defence production.

Mr. McIlraith: I think the minister has correctly pointed out the difficulty that arises from time to time in dealing with the estimates of his department, namely that he does not have control over the items to be purchased. It means that a good many of these questions really have to be asked of the Department of National Defence, and there is always the difficulty of knowing, when we are considering the estimates of national defence, whether questions should be asked about the Department of Defence Production. However, there is one matter that I wish the minister would clear up. I want to quote a reference in *Hansard* of 1959 in order to lay the basis for my question. It will be found at page 1302, in a debate having to do with the cancellation of the Arrow contract. The sentence is this:

> The cost of the Bomarc missile to Canada, as compared to the $781 million of the CF-105, is approximately $110.8 million.

That was the statement of the Prime Minister. There has been a great deal of confusion since that statement was made. Only at this session has it been made clear that the cost of the Bomarc missile would not be anything like that amount. Another figure, I think of the order of $15 million, was subsequently given, but I think that figure of $110 million was believed to be the cost of procurement of the Bomarc missile for Canada. The point I should like the minister to clear up is this. Can he tell me how much procurement he has provided in his 1960-61 estimates for the Bomarc missile?

Mr. O'Hurley: I hope the hon. member for Ottawa West realizes that this statement by the Prime Minister just mentioned the Bomarc but of course this figure does not mean just that; it covered the SAGE system, heavy radar and the gap fillers. The figure for the Bomarc itself is something in the neighbourhood of between $12 million and $15 million. In my estimates this year there is no procurement for Bomarc at all; there is just construction this year.

Mr. McIlraith: I thank the minister for that explanation. I find as I think other hon. members have found over the last month, that there has been a great deal of misunderstanding about this item. Of course the matter being debated at the time that sentence was used was the cancellation of the Arrow contract. It was the Arrow figure that was being discussed. There was no elaboration of this sentence. I quoted it precisely and accurately. It is easy to see how, when the sentence is taken by itself, a misunderstanding arose in the public mind. It is regrettable, but I fear that it was not cleared up until this session of parliament when there was an opportunity to draw sufficient attention to it and to give the explanation that is now given to the committee.

As to the matter of production sharing, does it not come to this situation, namely that there is a long term continuing problem of great magnitude facing this country because of the rapid development of new and extremely complicated and expensive equipment as a defence requirement, and that by the very nature of things, notwithstanding the competence of our engineers and our industry—about which I agree wholeheartedly with the minister—there is the problem of development as opposed to production? Our problem in this country is in securing the participation of Canadians in development at a sufficiently early stage so that when it comes to the point of production they will be in a position to share in it.

I think that is the nub of the problem, and I think the term "production sharing", while I am not quarrelling with its practice, is sometimes an unhappy phrase to use. It seems to me too simple an expression to describe the problem. What I for my part would like to encourage the department to do is to seek to get Canadian participation at the earliest possible stage in the development of new weapons. Then we can follow up with getting all the production sharing we can at the production stage. It is really the participation at the development stage which creates the problem, because in many instances there is

such abnormally high cost in relation to the ability of the taxpayers of this country to bear it, and that cost seems to be increasing as the nature of the weapons becomes more complicated.

Mr. O'Hurley: In reply to the hon. member for Ottawa West, we have in fact changed the name of our defence production sharing program and now we call it defence production and development sharing. I realized at the outset that we wanted to get in on the ground floor of the development of these projects, and I think our engineers and our companies are wide enough awake. We have been much encouraged and are now really working on the development of any new missiles or weapons which come up, especially in the electronics field. It is very complicated, but we are really getting in on the ground floor on any new project coming up.

Mr. McIlraith: I agree with the minister's remarks about the engineers in Canadian industry, and so on, but the point I wish to make is that the term "sharing" and the use of that word rather indicates that there is participation by both Canada and the United States, and that we are trying to increase our participation in something already there.

What I am trying to focus attention on is this. By the very nature of things at the developmental stage the development may start outside of this country, and I wanted the minister, in addition to pressing to the maximum the sharing in the production stage, to be ever alert to see that we have the opportunity of participating in the development stage. It is a very real problem, and I am not trying in any way to minimize the difficulties before the minister; I am trying to encourage him to be very assiduous in the job of trying to protect our interests in this regard.

Mr. Speakman: I want to ask the minister a few questions relative to Crown Assets Disposal Corporation, and I am wondering if this would be the appropriate item.

Mr. O'Hurley: Mr. Chairman, that is a separate item, and when we come to the item for crown companies I would be pleased to answer it. There is no vote for crown assets because there is no sum voted, but when we come to crown companies I will answer the question.

Mr. MacEwan: Mr. Chairman, I have a few words to say on the estimates of this department. I would like first of all to thank the minister and his officials for the co-operation they showed when I and some members and leaders of the industrial world in my area came to Ottawa to look into various methods and ways by which they could share in defence production in this country. They were given a fine reception by the minister and all the officials, and I want that to be put on the record.

I have heard talk here by the hon. member for Trinity about the department having no faith in Canadian industry. As far as I am concerned they have shown full faith in it. There are various firms in my constituency, including Maritime Steel and Foundries Ltd. and the Trenton plants of the Dominion Steel and Coal Corporation which are well equipped to carry out various types of work for this department.

Mr. Hellyer: They are trying for orders.

Mr. MacEwan: The hon. member can make much better comments sitting down than standing up, because when he stands up he never says anything anyway. In any event, there are various plants there with machines of the latest type, including Trenton Industries Limited.

I would like to point out, further to the statement by the hon. member for Trinity that Canada is not leading in any field, that right in my own area we are co-operating with EMI-Cossor Limited in making the "fish" for the variable depth sonar for our navy on a subcontract. This is a step forward as far as naval defence is concerned and anti-submarine work. I also believe that the United Kingdom is interested in this type of equipment, and I also understand that the department is going to look into the possibility of the United Kingdom purchasing some of it. In the marine shop of the Trenton Steel Works they have been doing work on propeller shafts for destroyer escorts, and other work has also been carried out.

I believe the minister has taken the lead in promoting the idea of industry in the various parts of this country taking part in the defence production program. He has encouraged it and I know, speaking from my own experience in the maritimes and especially in my own constituency, that this policy will continue in this way, thus giving industry throughout the whole country the opportunity of taking part in various orders for his department.

Mr. Smith (Lincoln): Mr. Chairman, in connection with the department's cost sharing development program I would like to ask the minister whether this program can be applied to the production in Canada of commodities which are not strictly used in defence production. I can think of commodities which are used in shipbuilding, in post office equipment and a great many other things. Is it possible that the program can be used for that purpose?

Mr. O'Hurley: In reply to the hon. member for Lincoln, as far as we are concerned these arrangements we have made with the United States government concerning the buy American act, and so on, apply only to military equipment. I cannot give any further information than that.

Mr. Weichel: Mr. Chairman, I was very interested in the remarks of the Minister of Defence Production concerning his estimates, and I believe his efforts are very commendable. I hope continued effort will be made concerning tenders from Canadian industry in order that our workmen are continually employed. May I also say that the commendable efforts made in the past concerning foreign trade should always be given close study.

Mr. Hellyer: Just before the item carries, Mr. Chairman, I wonder if the minister could tell us whether he has had any more offers for Polymer, and whether his sentiments have changed any since the last time he answered a similar question in the house.

Mr. O'Hurley: That is a crown company and I will deal with it when we come to crown companies, if the hon. member does not mind.

Item agreed to.

67. Care, maintenance and custody of stand-by defence plants, buildings, machine tools and production tooling, $400,000.

Mr. McIlraith: I note that the estimate this year is $400,000 and last year it was $882,011. That is apparently a decrease of $482,000. I note also that in the supplementary estimates there is an item, No. 508, amounting to $390,000 which seems to me to be precisely the same item, so there is no real reduction in the estimate this year as compared with last year.

Would the minister explain why this method was used this year of only putting half the real estimate into the main estimates and the other half in the supplementary estimates? The minister will recall that the question was asked in the committee on defence expenditures, but the chairman declined to allow it to be answered because he said we were not free to discuss supplementary estimates.

Mr. O'Hurley: I remember the incident. After we had put in our estimates we found that our real requirement concerning one company—I do not want to give the name of the company—was established. We had engaged to give financial aid to that company if they had not sufficient work to meet certain commitments. That is, in the main, the reason for the supplementary estimate. We did not know what our full requirement would be when the estimates were first prepared.

Mr. McIlraith: I do not want the minister to tell us the name of the company, but was this a company which was getting benefits under this item last year? What made the department think the item would be less than it was last year?

Mr. O'Hurley: In 1959-60 the estimate under this vote amounted to $882,000. The expenditure amounted to $343,000. This year the estimate, together with the supplementary estimate, vote 508, will come to about $790,000. We had it in mind that last year, when there was a vote of $882,000, we did not spend the whole of that sum on account of the work done in this plant. They had work and we did not have to pay a certain amount.

Mr. McIlraith: The expenditure for last year, then, was $343,000 instead of the estimated expenditure for last year, given at page 156 of this year's estimates as $474,000. In fact we are expecting to double expenditures on this item this year.

Item agreed to.

71. To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by treasury board, and to authorize commitments against future years in the amount of $7,000,000, $5,000,000.

Mr. Hellyer: I wonder if the minister can give us any indication of the main commitments he has in mind with respect to the authorization of $7,000,000 in future commitments.

Mr. O'Hurley: The hon. member wants the commitments for future years in connection with this program?

Mr. Hellyer: Yes.

Mr. O'Hurley: The following information applies both to this year and future years.

	1960-61	Future years
ELECTRONICS		
Radar (detection, identification of ECM techniques) RPS—6 radar radomes	$1,500,000	$1,000,000
Data processing, computing, display techniques	250,000	500,000
Communication (advanced techniques) 150 watt amplifier	250,000	1,000,000
	$2,000,000	$2,500,000
Communications	300,000	600,000
Navigation: doppler navigation kits	500,000	1,400,000
Fuzing	100,000	200,000
Instrumentation	300,000	300,000
	$1,200,000	$2,500,000
Long-life sonobuoy (anti-submarine warfare)	300,000	1,000,000

Our tentative proposals in the field of aeronautics have not yet received approval by treasury board. We have requests in this field for $6 million, and for future years, $8 million. However, only part of it will be spent and many of the procurements we have been talking about are not yet approved and work is still being done with regard to them in the department.

Item agreed to.

Crown companies—

72. Expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by treasury board, $3,876,117.

Mr. Speakman: I was interested when the minister told us that his staff had increased, and I should like to put forward a suggestion which, incidentally, is not mine, which I think will enable the minister to effect a considerable saving and probably a reduction of staff.

This suggestion concerns the disposal of surplus equipment up to the value of $1,000. We know that government departments have responsible officials in charge, and these officials could, I think, be classed as sufficiently responsible to handle such matters as the disposal of assets in this category without the Crown Assets Disposal Corporation being involved. I should like to give an example of one instance which I think will clearly indicate the circumstances I refer to. It concerns a building which was leased by the crown over a period of years. Then a building owned by the crown was constructed. The usual procedure will be to remove the heating unit and equipment to storage where it will take up valuable storage space, or to dispose of it through the Crown Assets Disposal Corporation. There is one other method; to declare it obsolete and beyond economic repair and of no economic value, and write it off.

Returning the equipment to store would cost a minimum for crating of $15. Cartage would amount to $6. Storage at $1.80 per square foot for five years would amount to $45 and time and effort would amount to $50 or a total expenditure of $116 to preserve an article which would be declared surplus after five years and disposed of. The value of this particular item at the time of putting it into storage would perhaps be $20. I suggest that the disposal could be handled by a responsible official of the department concerned, and the money remitted to the crown by the department. This would mean a very considerable saving to the department and would perhaps eliminate some of the large staff in crown assets.

[Mr. O'Hurley.]

I should like to make a little further reference to crown assets, based on my own experience. I spent four years in the army in Whitehorse, and annually there was a collection of equipment that was no longer usable and no longer required. A tremendous expense was involved in having an annual sale, because at a point like Whitehorse very expensive travel is involved to bring people there for the disposal sale. It also involved very considerable expense to the prospective buyers of this equipment who, therefore, bid very low.

I suggest to the minister that this could be a method of saving time, money and people. He should cut down on these sales and allow the disposal to be done through the responsible officials of the department who are on site, who know the material and who could dispose of it perhaps at a slight profit to the government instead of, as in most cases, a very substantial loss.

Mr. More: Mr. Chairman, on this item I should like the minister to tell the committee what is the present attitude of the government with regard to the disposal of surplus United States equipment from their bases. I have had many representations on this matter. It is of great concern to my own industry. These machines, which the United States government will not allow to come back into their own business channels, are appearing on our scene in ever increasing numbers and in ever expanding areas. Can the minister make a statement on this problem? Can he tell us whether there are any taxes on these machines, and how the valuation is arrived at? In other words, what is the government's policy at the present time in regard to this matter?

Mr. O'Hurley: I was interested in the remarks of the hon. member for Wetaskiwin, and they will certainly be brought to the attention of the officials. I think we have two sales, one on the Alaska highway and one at Whitehorse, each year. I will take up the matter with crown assets, and I shall speak to the hon. member about it.

With respect to the question of the hon. member for Regina City respecting the sale of United States equipment by crown assets, we have had a lot of correspondence on the matter; pressure has been put on the government, and memoranda have been submitted to me and to other ministers of the government concerning the sale of this surplus equipment, especially in Newfoundland. This question has been looked into by crown assets and myself, and we have taken note of it.

This information we think has been put out by equipment suppliers, by some Canadian

manufacturers and by the Canadian contractors association. On the other hand we have small municipalities and small dealers in local communities who wish the sale of this equipment to be continued. They repair it and sell it on guarantee. Two briefs have been prepared and will be submitted to the government right after the session closes. The government will study this situation and its decision will be made known shortly.

I wish to tell the hon. member for Regina City and any other hon. members who have written to me about the disposal of United States equipment that the matter is receiving the attention of the government, and a decision will be arrived at shortly.

The hon. member for Trinity spoke to me about Polymer. Polymer is a very successful crown company which is going to have a very good year in the sale of its synthetic rubber and even in its specialty rubber, which is something new. As hon. members know, Polymer is in a competitive field. It is the duty of the minister to have, as former ministers did, a review once in a while to see what is the situation of a crown company. This review is going on at the present time and the results will be submitted to the government shortly.

I have no views as far as the future of Polymer is concerned. The company has been very successful; it is under very good management; the sales of rubber this year have been very good. Even during the difficult time of the strike last year the customers in Europe remained with Polymer after having been deprived of their rubber for some time. But the government will look into the future development and the capital expenditures and any other questions that might pertain to Polymer.

Mr. McIlraith: Mr. Chairman, I take it from the minister's answer that the government has not yet decided whether Polymer is to be sold?

Mr. O'Hurley: No.

Mr. McIlraith: I will not, therefore, elaborate on that phase of the matter other than to say I am somewhat surprised to hear the minister say he has no views on the matter. I would hope that as the responsible minister he would have a great many views on the matter. I might think they were wrong, or I might not agree with him, but I still hope he will not persist in having no views on the matter but that he will acquire some and assert them to his colleagues successfully.

In any event, the point I want to make is that if Polymer is to be sold I hope the government will bear in mind the fact that this country is facing a problem of balance of payments that is quite severe. The adverse balance of payments last year, as the minister will well know, was of the order of some $1,400 million. Polymer Corporation has been a good earner of money; it has a very good record as a crown company, and I would hope that in any sale the minister and the government would make sure that it is not sold in such a way that the earnings of the company are drained off to another country and our balance of payments situation is further worsened by the sale of this company.

There is perhaps no purpose in elaborating a view on it unduly at this stage. I did want to draw that to the attention of the government because I think it is a matter of major importance, and because I hope that in any decision they take, if they decide to sell it, the company will be sold only to interests whereby the earnings of the company will be retained in Canada for the development of Canada. The history of the company so far has been outstanding; it is a very good story. I hope that in the years that lie ahead it will continue to be a very good Canadian story.

Mr. O'Hurley: I appreciate the remarks of the hon. member for Ottawa West. Mr. Chairman, my colleague the Minister of Trade and Commerce will move an amendment to item 72.

Mr. Churchill: I move, seconded by the Minister of Mines and Technical Surveys:

That item No. 72 be reduced in the amount of $250,000.

Mr. Hellyer: Before this item carries, could the minister tell the committee whether, with respect to the construction of the two Bomarc sites, there is any arrangement with the United States government whereby, in the event that congress should be successful in cancelling the whole program again next year, there would be any recovery on the part of the Canadian taxpayers from the United States government?

Mr. O'Hurley: I think we can depend on the arrangement which has been made that any expenses will be reimbursed *pro rata.*

Amendment agreed to.

Item as amended agreed to.

Canadian Arsenals Limited—

73. Administration and operation, $1,349,120.

Mr. Hellyer: Would the minister say a word with respect to his view of the future of Canadian Arsenals? He noted earlier that the government now has to come to its rescue with regard to maintenance and carrying charges. I know that some of the people who work there are a little embarrassed at the

seeming inactivity. Would the minister give us his views as to what the future holds in store for Canadian Arsenals?

Mr. O'Hurley: As far as the minister's position is concerned respecting Canadian Arsenals, the government will certainly maintain Canadian Arsenals and will strive to give work to the different plants. Of course, in certain plants of Canadian Arsenals we have had to reduce the number of men because we have not the same use for the material they manufacture. On the other hand, we are trying to get extra work for the plant in the production sharing field for example, Long Branch. I think Canadian Arsenals is a very capable organization. I do not see the closing of any of the plants in the near future, but some of the plants will be operating on a reduced scale. I wish to state that we are interested in keeping all the plants of Canadian Arsenals in operation for the future needs of the country.

Mr. Hellyer: The minister mentioned production sharing. Can he say whether Canadian Arsenals have obtained any production sharing contracts to date?

Mr. O'Hurley: I cannot state offhand whether they have any contracts. I know they are negotiating and working on a couple of projects at this time, but I cannot say whether they have a contract in hand. I know they are negotiating on at least two contracts. I also wish to state that it is the intention of the government to have a study made of Canadian Arsenals by management consultants, having in mind the arrangements in the different plants of Canadian Arsenals.

Mr. Hellyer: Has a group of management consultants been retained for this purpose?

Mr. O'Hurley: Not yet, because the matter has to go to the Auditor General for approval.

Item agreed to.

The Deputy Chairman: That completes the estimates of the Department of Defence Production.

Mr. O'Hurley: Mr. Chairman, I wish to thank the committee for their co-operation in passing my estimates. In terminating may I express my thanks to my officials, to the directors of the crown companies under my jurisdiction and to the whole staff of the department for the work they have done in the last year and since I have been the minister to whom they have to report. Now some of them can take a vacation.

Mr. McIlraith: I am sure the minister will agree that he inherited a very good department and a good set of officials when he took over the department.

LEGISLATION

The Speaker of the Senate—

175. Allowance in lieu of residence, $3,000.

Mr. Chevrier: Mr. Chairman—

Mr. Speaker: Perhaps the hon. member for Laurier would allow me to make a statement.

Mr. Chevrier: I was going to ask His Honour if he intended to make a statement at this stage. Perhaps the chairman would recognize me afterwards.

Mr. Speaker: Thank you. I feel very strange in this position, and I hope that the chairman will not declare me out of order immediately.

Mr. Martin (Essex East): We find it strange to see you there.

Mr. Speaker: Mr. Chairman, I wish to say only one thing as we commence consideration of the legislation estimates, and that is to express the appreciation which I feel, and which I am sure all hon. members feel, for the staff of the House of Commons which suffers with us through these rather arduous days when we are trying to complete the work of the session. It puts no small strain upon all the officers of the house and particularly upon those who must be with us throughout the entire hours of our sittings. I do not want to mention names, but I include in my remarks the Clerk, who is responsible generally for the administration of the House of Commons staff, his assistants, the reporting staff and all the other employees of the House of Commons who serve us so well. They look forward, of course, to the compensating benefits that come from service with the House of Commons, which are real and, if they are not too long deferred, do help to compensate for the extra hours which service of this chamber calls for.

Mr. Chevrier: Mr. Chairman, I think all of us will realize that it has been the custom and tradition over a long period of time not to consider the estimates of Mr. Speaker as contentious in any way, and certainly it is not my desire to so consider them at this time. There are, however, a few brief remarks I should like to make on behalf of those who sit on this side of the house.

First of all I wish to extend to His Honour the Speaker our thanks and our gratitude for the consideration he has given to the many representations we on this side of the house have made with respect to secretarial assistance. I should also like to let him know that even if His Honour has not always been able to meet all our requests and demands they were always received with such courtesy and such sympathetic consideration

that we could not in any way feel otherwise than grateful to him for the manner in which these representations were received.

Before I go farther I should like to join with Mr. Speaker in the tribute he has paid to his officers, the officers of the House of Commons, the staff and all who are associated with our work in parliament not only during the whole of the session but more particularly toward the end. I join with him in the laudatory words he has expressed with respect to them. We know that their task is a difficult one, particularly at this stage of the session, and I personally should like to add to the list of those mentioned the bureau of translation. The translators, as Mr. Speaker knows, comprise a new group which has become a part of the staff arising out of the simultaneous translation system. Frankly, it is amazing to many of us how well and efficiently they perform their tasks.

Your Honour will remember that last year when there was a discussion of the matters that I should now like to take up, namely assistance, secretarial and otherwise, which members of parliament as a whole have, Your Honour replied that he had asked the civil service commission to prepare a report, and that they had reported at the time. Your Honour at that time put on record a paragraph from that report which I should like to quote because it is by way of preface, I assure you, to the brief remarks I intend to make. This paragraph will be found on page 6336 of *Hansard* for July 18, 1959:

> It is dated June, 1959, and I am reading from the summary of conclusions on page 37, as follows:
> "That the plan to provide supervised, small groups of stenographers in offices located close to the members served, and restricted to individual political parties, would be the most effective secretarial system for the House of Commons, and that such a service should include provision for telephone answering, dictation equipment and allied services."

This, of course, is an extremely important conclusion which was arrived at as a result of the survey. I was wondering whether it was not possible for Your Honour, before we dispose of the item, to give a further report on that matter. I am sure it is the wish, not only of Mr. Speaker but of all of us, that some day there will be a secretary assigned to each member of parliament, together with the additional assistance which is referred to in the report.

There is also the question of the secretaries who are without work during the period when the house is not in session. I did bring this matter to Your Honour's attention toward the close of the session last year. While it was not possible for Your Honour to meet all our requests, I again say that they were met with fairness and, I am happy to state, on the whole there was not too much hardship, although there was some during the intersessional period.

I said earlier we were happy about the arrangements which were made for the secretarial assistance during the period after the session had prorogued. However, there are still a number of young ladies and others, whose names of course I cannot assign to the record, who have had in one case 10 years service, in another case 10 years service, in a third case nine years service, in the fourth case eight years service, and in the last case three years service, and I am sure Your Honour agrees with me that those secretaries who have had years of experience and who have attained an age—I say this with deference—where it is not always easy during the intersessional period to find employment, should be given special consideration. I wonder whether Your Honour would not take the request which I make now in the spirit in which it is made.

Then there is the very important question, which I know is in Your Honour's mind, not only of secretarial assistance but of technical and research assistance as well. I need hardly remind the committee that when the house met in 1957, under the present administration, the Prime Minister had it in mind then to give some additional assistance to those of us who sit on this side of the house. He had that in mind in the light of the difficulties, the plight, and the extra work which the Prime Minister and his associates had when they sat on this side of the house.

Well, as you know, Mr. Speaker, it has not been found possible to grant this additional technical assistance. I wonder whether it is not a matter to be considered by either Mr. Speaker himself or by the commissioners of internal economy. My friend the hon. member for Ottawa West says, while it is known as the committee for internal economy, it is eternal economy which they practise. I am not going to comment on that interjection, other than to say that I know that particular committee of the house have given to this subject, and to many others, very careful consideration.

I know, too, what the views of Mr. Speaker are with reference to additional rooms for members, and I at once commend him and those who are responsible with him for the establishment of these additional rooms. I do hope the day is not far away when it will be possible to assign to each member a room, with his own secretarial assistance. I know that must be in the mind of His Honour the Speaker and those who sit on the committee that is responsible for the decisions taken with reference to the proceedings of the house.

I have no more to say, sir, other than to ask you once again to give consideration to those several cases that have already been brought to your attention, and with which I am sure you will once again deal fairly.

Mr. Winch: I should like to join with the previous speaker in utilizing this opportunity to thank the Speaker for the co-operation he has always extended to us in connection with any problems we have taken up with him. We fully realize that he has not been able to accomplish all he himself desires, but we do hope he may be able to give us this afternoon some intimation as to still greater progress that he has in mind. I am not going to repeat what has already been said by the previous speaker, but will just add my words to his hope that in the not too distant future provision is going to be made for greater secretarial and research help.

I should like to add just a new thought on the subject of secretarial help. I should like to inquire why it is not possible for the secretaries, who sometimes have to work overtime because of the responsibilities of their members, either to get paid for the overtime or allowed time off for it. I think it is rather unfair that secretaries have to be placed in the position where they either do the overtime work on a voluntary basis or the member must pay out of his own pocket. I do hope something can be arranged in that connection.

While we are mentioning the staff, Mr. Chairman, may I say that I hope Your Honour can give us some information as to whether action is going to be taken on a matter that has been raised every year for a number of years. I refer to the supplying of new and adequate accommodation for the security staff. I know Your Honour has gone into the matter several times, but the accommodation provided is a disgrace to this house as employers of the security staff. This one room has to accommodate, I think it is, 52 men. They have to change their clothes there, spend their time off there and keep their clothes there. It is where they eat. The time is long past due for them to have received adequate accommodation. I hope that with the changes the Speaker is making now, he can inform us that there will be something better for those men in the near future. I am not going to say anything more at the present time, Mr. Chairman, because I can say the other things I have in mind under the various items.

Mr. Speaker: Perhaps I should say what I can briefly on the subject which has been raised so considerately by the hon. member for Laurier and the hon. member for Vancouver East.

[Mr. Chevrier.]

The report to which the hon. member referred and which we discussed at this time last year was circulated in due course and was put in the hands of all hon. members, as was agreed at that time. Its relevance or the possibility of its implementation I think improves considerably now with the prospect we have for more accommodation for hon. members. Some have already been accommodated in the west block. I think it is no secret that plans are going forward which will, I hope, within the term of this parliament or in any event before long give us the objective which certainly has been mine and which I know has been that of many hon. members, namely one office for each member and the facilities which will permit each member to have one stenographer. To my mind that is a minimum service for members of this house and it has been my objective since I have put it forward and which I intend to continue to put forward in the expectation that we are nearing the point now where we can achieve that objective.

As to the stenographic staff of the house —I refer to the temporary staff or the sessional staff—it is true, as the hon. member says, it perhaps does not get compensation for the extra hours which many of them put in voluntarily and quite agreeably. I know there is no compensation for that. Those who are continuous, of course—and this consideration applies to all staffs of the house—receive holidays with pay beyond those which are the rule in the civil service and they have the advantage of shorter hours in the recess period.

But the point which was made by the hon. member for Laurier about those who have over the years given good service to this house as stenographers is one which gives me a great deal of concern and has done so as the problem arises each session. There are two considerations that must be taken into account. First, there is the service of the members during the recess and that is a basic consideration. The personnel who are selected by the whips of the parties to fill the recess quotas are selected on the basis of their usefulness to the members whom they will be serving and, as all hon. members will agree, that is a prior consideration. The other factor is the circumstances of the stenographers themselves—and seniority is one of those important circumstances as well as the personal considerations which apply in certain cases—which make it important that continuous work should be available.

As I have done in the past, I shall do everything I can to meet to the fullest degree the problem of those who have claims on the basis of seniority but are not required on

the other basis which I have mentioned. A problem is created not only for the whips but for the Speaker and the Clerk in making the choice which has to be made to keep within the limit of the vote. Hon. members will note that the vote provided for only 38 stenographers, 33 actually in the category of continuous temporaries and five who are in the permanent category and therefore have status which is not subject to termination. That is a total of 38 and the division of those among the parties is one which is made by arrangement and the choice is necessarily limited by the amount of the vote. Each session we have gone beyond the authorized amount with the concurrence of the commissioners of internal economy in order to meet the kind of problem mentioned by the hon. member for Laurier. I only regret that we cannot meet all the problems and that is due to the fact that the introduction of new staff is from time to time made on all sides of the house in order to meet the problem of the special service that is required during the recess.

The other matter mentioned by the hon. member for Laurier is a larger one and I think I shall not attempt to discuss it, namely that of technical assistance for the opposition parties. The staff which is available for the Leader of the Opposition I believe compares favourably with that available in any period in the past and it is perhaps larger now than it was previously. I have not made an exact comparison but I realize that a problem exists. However, I feel it is a matter which is really beyond my jurisdiction or scope.

I have mentioned the expectation of better accommodation for the members and that consideration also applies to all of the staff. The renovation and reconstruction of the accommodation in the west block will give us an opportunity to deal with such problems as the accommodation of security staff mentioned by the hon. member for Vancouver East. I am sure that with those changes we shall meet some of the things that we have been unable to do in this building because of the severe limitations that exist here on our space. I think I have dealt with all of the matters that have been raised.

Mr. Chevrier: May I ask this question of His Honour, Mr. Chairman? His Honour said that the vote provides for 38 stenographers only, 35 of a permanent nature and three of a non-permanent nature, I believe. I think he said that was an improvement on last year.

Mr. Speaker: No. We went beyond the vote last year and the year before. Actually we began the recess with 44 or 45 last year in order to meet some of the problems to which the hon. member referred. But the vote has been for 38 in total for some years. This is larger actually than it was in the time of my predecessor although prior to that time there was a period when the sessional staff was larger. I think it was because of the fact that it included secretaries who served the parliamentary assistants of that time. But the estimates which are now coming before parliament for stenographers is not what had been asked for. The number is not as large as I had put forward. I asked for more. As a matter of fact, I asked for one stenographer for each member but in the circumstances it was not felt possible to accede to that vote. I also attempted to rearrange the recess staff so that the more or less permanent secretaries would be separate from the recess staff proper for service of private members which could be looked at as one unit and considered as such.

Mr. Chevrier: I thank the Speaker for his explanation but I had not completed saying what I had in mind. What I had in mind was this. While I was under the impression that there had been more, apparently it was an erroneous impression. As His Honour knows there are in the list of persons who are going to be without employment quite a number who will be in difficult circumstances through the non-sessional period notwithstanding their priority and their years of service.

What I am coming to is this. I was going to ask His Honour whether it was not possible to increase this vote. I realize that that is what happened last year and perhaps this year the expenditure will go beyond the vote, which is all to the good. Of course, I am not inviting by the statement I make a reply to the effect that perhaps we did less when we were over there; but the point now is that there is a realization that we should be doing perhaps a bit more. I wonder if before the vote which will be coming forward next session it would not be possible to find sufficient funds to look after those secretaries who, because of their years of service, eight, nine or ten years of service, will find themselves in some hardship.

I remember one case which I brought to Your Honour's attention last year where there was real hardship and Your Honour fortunately was able to do something in that case. Again the matter repeats itself this year. It is impossible to put names on the record but Your Honour knows who they are, and I again simply bring them to his attention in the hope that it will be possible to go beyond the vote sufficiently to look after the requirements of those who will find themselves in these difficult circumstances.

Mr. Drysdale: Mr. Chairman, I just wanted to draw to the attention of Mr. Speaker a couple of items of interest to me on the administrative aspect.

My first point is that I am wondering if Mr. Speaker could give consideration—and I am not too sure whether this comes under his jurisdiction—to having a loose leaf edition of Beauchesne where it would be possible to add at the appropriate place the frequent rulings which are made? From my own brief experience in the house I notice that one of the basic difficulties is that the majority of members do not seem to know what the rules are or what the previous rulings have been, and I thought it might be of some assistance to the house if we had an up to date loose leaf edition. Because even with a book such as Beauchesne it is extremely difficult to find the correct citation very quickly. Since it was published in 1958 there have been quite a number of decisions which Mr. Speaker has made which I think would be of considerable value to the house if they were available by this loose leaf method.

The other suggestion which I have made previously is that I would be interested in seeing an electronic roll call machine installed at the earliest opportunity to speed up the processes of the house. I realize that perhaps this discussion would have been more appropriate before the special committee on rules, but since their hearings are in camera I thought perhaps I would be permitted to put my suggestion forward at this time.

Mr. Robichaud: I have a grievance I would like to raise at this time. I am not too sure if I am on the right item of the estimates, but it has to do with the condition of the typewriters supplied to members. I share an office with my colleague from Northumberland-Miramichi and we have been complaining at least ten or twelve times since the opening of the session that our machine is only good to be thrown on the scrap pile. We have not been able to get any results and I hope that before next session we will be supplied with a decent typewriter which we can use if we need it.

Mr. Speaker: Perhaps I might reply to those comments now.

The idea of a loose leaf edition is interesting. With changes in the rules revision would be necessary. I can say this much, with all respect to the late and learned author of Beauchesne, that I myself have found difficulty with the index and have in course of preparation an index which could be supplied to all members and which I think would be helpful in finding much good material which is there.

The typewriter question has been solved and all hon. members will have new typewriters at the beginning of next session. And I may say, at every session thereafter.

Mr. Fisher: Mr. Chairman, I wanted to bring something to the attention of Mr. Speaker and the committee that we have had general comment on at various times and some views expressed. It concerns the problem of the development of more research help for members of parliament, and particularly for members of the opposition. I should raise this point just in connection with the office of the Leader of the Opposition, because I know the Leader of the Opposition is hardly in a position to raise it himself and perhaps members of his party feel the same way. But I do know that the more assistance one has, whether in a formal or informal way by people with certain expert knowledge, the better is the performance possible, not only in a party sense but in an individual sense.

Mr. Chairman, I have sat in some amusement, as I am sure other members have, and have watched the little corps of assistants in the Leader of the Opposition's gallery grow in the past two years and I know they now have a small corps of people. I do not know whether some of them are covered under this particular vote, but I do know that others are being paid through other arrangements.

I would like to suggest at this time that we make greater provision for assistance of officers such as the Leader of the Opposition. It seems to me that the opposition is undermanned in relation to the expertise which is available to cabinet ministers, and the essence of our parliamentary system is that of the opposition against the minister rather than the opposition being against the ordinary members on the government side.

So far as ordinary members on the government side are concerned, I think they are to a degree in the same position as members in the opposition. I know, whether the general public knows or not, that they have no greater access to governmental expertise than we have. Or if they have it is in a limited way. I feel that both the official opposition and also the average member of parliament are short of the kind of research assistance which we need.

I would not like to try to mark off any suggestions as to how this could be done. Two years ago I said that I felt the library of parliament as a reference service was completely inadequate, especially compared with what is available in other countries. The British handle this somewhat differently than the United States. The British library is no more effective than ours in terms of

resources, but the party organizations in Great Britain are much more so. Our parties have not got that tradition. But from what I can see they show very few indications that they will ever get to it. In the United States system each congressman as a congressman and each senator as a senator is given much greater provision in order to do the job as an individual representing his constituency, his region and his nation.

It seems to me that they are the two areas in which this committee should consider providing more extra knowledge and assistance in order that members can do a good job. First of all, help should be given to the offices or position of the official opposition, if you want to put it that way; second, there should be some means of helping the general membership, the ordinary membership of the House of Commons whatever the party.

It may be a poor thing to say, but what I have seen of the general framework of the library, or the committee of the house dealing with the library, has not given me much hope of our getting help from that direction, and if I may make the point bluntly as to why, it is because there is an influence on that committee by the other place, which is so traditional and, I may say, out of date, that we are not going to get from any such group a modern and up-to-date way of looking at this problem.

I think the research facilities and the assistance available to members of this house in the light of what the cabinet ministers have is very slight and I have a great deal of sympathy for every member of this house in his task of looking after his constituency responsibilities and the larger and more national one in the light of the resources he has. It is just pitiful when you think of us as having one full-time secretary with so very limited time available during which the ordinary member tries to do the best job he can. There comes a stage when diminishing returns reach such a point that he can scarcely do his task. This is much more pronounced with what is happening in this parliament with more committees meeting, and the onus of attendance in this house. If you do your duty in attending even, say, half the committees and attend the proceedings in the house for half the time, at least, you have no time to keep up with correspondence or to see that letters are framed to go after research that needs to be done not only in connection with the responsibilities of this house but also with regard to questions raised by constituents.

I think we are a living example of a cultural lag. We are in the mid-twentieth century and we are still acting in the House of Commons with regard to ourselves as if we were living in the mid-nineteenth century. One of the reasons we have this cultural lag is because the House of Commons tends to be dominated—this has nothing to do with party —by a relatively small number of people and I should like the small number of people who do dominate the house, whether they are cabinet ministers or stars of the opposition, to stop and look at the situation. Members of the Canadian parliament come from a tremendously disparate background. In the main you do not have the kind of person focussing into it as in some other parliaments. Congressmen and senators in the United States are much more educated to a full time political career. It is much more a matter of choice than it is in Canada. Similarly, in Britain there is a common educational background, and aspiration that we do not have in this country. This, to me, not only explains our cultural lag and our unwillingness to live in the mid-twentieth century in legislative terms but it underlines the extra difficulties that we have.

I have said before I have no wisdom in making great suggestions but I do feel that if the parliament of Canada is really going to adjust and be the forum which I and most other members think it should be, we are going to have to do something in this particular area and it is more than a question of just better typing facilities or better copying facilities or getting a few extra books from the Library or putting a few extra librarians on. It seems to me we need a new approach, and I think that approach should be made by a committee of this house with no association with the other place to study this whole question. I should like to see senior people and some junior people from all the parties get into some kind of group and go and see how other parts of the world are doing things.

I know it is not popular to go around complaining that an institution is senile, though I hold this view strongly. This is not a commentary on the government, but I think it is senile. I would judge from talking to a number of other hon. members that this is not a strange or odd view. I remember one businessman told me not long ago that we are not worth a heck of a lot as politicians as far as he was concerned if business was run the way parliament is run, business would go broke in a hurry. I do not buy that criticism completely but I certainly know that in the way we individually as members are geared to face the problems of the nation we should be going broke, as I believe we are.

I welcome this opportunity to express this point of view and I hope that the Speaker,

who is primarily concerned with the situation, will at least give it some attention and consideration. Any small improvements that he can make—and I can definitely say he has made them and this is very much appreciated by every member—are all to the good, but I do think there is a latent crisis here which needs to be met by much greater action than this, and one of the things that must be the goal or end in sight is raising and elevating the position and prestige of the individual member of parliament whatever his party and giving him some status, some real authority in the role he could play, a role I do not think he can play at the present time.

Mr. Chevrier: There is much which has been said by the hon. member for Port Arthur with which I agree, as I indicated earlier in my reference to additional technical assistance and research help. His Honour did, however, reply that this was a matter outside his jurisdiction.

The hon. member for Port Arthur now presents this matter in another light and it may be it can be considered in that context. However, I rise to say to the hon. member that he is wrong in his assumption with reference to the Leader of the Opposition. While it is true that in the gallery which is used by those who assist the Leader of the Opposition there are more people who have joined it of late—within the last year —I should like to reassure him and tell him, so that he will know what the position is, that these are people who are assigned to those of us other than the Leader of the Opposition who sit on this side of the house, and that they are paid exclusively by members of the official opposition themselves and their salaries do not form a part of this vote or of any other vote that has to do with the Leader of the Opposition. I am sure the hon. member was not aware of that.

Mr. Fisher: I was aware of that, but I did not feel I was the one who should be bringing it out. But I did not want to leave the inference that these people were all paid under this vote. I believe I know the people who are paid under the vote and those who are not. It is all to the good. I would like to see a larger corps up there because the greater the number the better the government, in a sense.

Mr. Chevrier: Anyway there is no difference of opinion on this matter between what I have said and what the hon. member has added. It certainly was not clear from what the hon. member said. Although he may have been advised what the position was, the hon. member may have left an impression that the Leader of the Opposition was adding and adding to his staff. Such is not the case. There are three additional members who have been added during the last 12 months or, perhaps, two sessions, whose services are being paid for exclusively by those of us who sit on this side of the house.

Mr. Herridge: I wish to make a few brief remarks on this interesting item, an item which could be the cause of considerable debate, if we had plenty of time and opportunity. I fully appreciate the feelings of the hon. member for Port Arthur with regard to the situation in which members of parliament find themselves, although I do not take quite such a dim view with regard to the senility of this institution. I take an interest in this subject and I have been reading the proceedings of the committees which have been set up by the United Kingdom parliament to study procedure.

I find that this institution was becoming senile in Great Britain in 1860; frequent references were made to the disabilities that the institution suffers from and predictions were made as to how long it would function, and so on. But we must remember that parliament is an evolving institution which has to change its practices and its procedures to meet the changing circumstances in the country which are reflected in the work of the house. I remember reading some minutes of committees on procedure in which Mr. Campbell Bannerman expressed his views, and Mr. Asquith, later Lord Oxford, gave his views; Mr. Baldwin gave his views, and prominent members of the labour party gave their views. Mr. Chamberlain gave his views; Mr. Churchill gave his views, and Mr. Attlee and Mr. Bevin gave their views. All through the years of British history we find this recurrent concern over the efficient functioning of parliament, and rightly so, because from time to time changes have to be made to meet the circumstances under which parliament is functioning.

The criticism that we in this group have primarily is of those who refuse to make the changes which are required for parliament to operate efficiently under circumstances that change almost from day to day. As a matter of fact, in reading the history of the debates and of the committees in the British house particularly, one for which I have a particular affection—I think one rather finds inspiration than disappointment. One realizes that 50 years, 60 years, 75 years or 100 years ago parliament suffered the same concern and the same type of problem that we suffer from today, facing rapidly changing conditions. But the main point is this: with all the impact upon parliament because of the

entirely changed society today from that which existed when parliamentary institutions were first established as far as British countries are concerned, parliament is stronger than ever, and that is the test. That is all I wish to say with respect to general remarks on the parliamentary situation.

I do wish to say a word or two, while I have the opportunity, about the staff, because the staff functions here day after day, week after week and month after month, with possibly a good many people failing to realize that this whole process would come to a halt without the co-operation of a considerable number of persons who perform their duties responsibly from day to day. I think of the protective staff and the work they undertake day by day in assisting in the efficient operation of our parliament; the elevator staff, the public works staff around the building generally; the messengers, some of them quite on in years, whose duties on occasion take them many blocks around the city of Ottawa, meeting the requirements of members and so on; the page boys and the staff in general.

I also wish to make a reference to the *Hansard* staff who work under a particular strain during these lengthened hours. Speaking of the *Hansard* reporters and of the ladies —I always refer to them as the *Hansard* angels—who are required to work long hours and stay a considerable time after the house adjourns in the evening, sometimes until after midnight and later, in order to make certain that they have all the quotations and things of that sort that certain members have used in making speeches, I do trust, Mr. Chairman, that the members of the staff I have referred to, including the secretaries and all who are connected with this house, receive the increases in salaries that they are entitled to in relation to the increases received by other sections of the government service.

Now, again with respect to the *Hansard* staff, the reporters and the ladies in question, I feel that when one works the hours they work and at the salaries they receive at the present time one must realize they are underpaid, greatly underpaid, and I do suggest there should be some arrangement made to compensate those faithful people in a financial way for the unduly long hours they have had to endure in recent weeks and for the valuable service they have rendered by making it possible for parliament to continue to function for such long hours. Just imagine if they all fell ill what a state of affairs we would be in in so far as the operation of this house is concerned.

In conclusion I come back to the theme that has been repeated over and over again by members of this group, and simply say that this state of affairs will not be remedied until we are willing to make changes to meet the changing circumstances of our lives and society today and so organize our sessions that we come here in January and continue until possibly the 15th of June, or the end of June, and then recess until the 1st of October and accept some planning. I see the hon. member for Greenwood shakes his head as though he were in disagreement with me; if so, I should like him to rise and give his reasons. I have given my views; I wish he would give his reasons and other hon. members would do the same who are opposed to a recess in the summer. We in this group believe it would make it possible for the staff and members of parliament to carry on more efficiently, and also it would represent some fair consideration for the members of the staff whose holidays with their children in many instances are completely upset at the present time by our unorganized and unplanned parliamentary habits.

Mr. Legere: Mr. Chairman the reason for my rising today is one of gratitude which I should like to express for the service I have received. In doing so, I refer to the page boys. Their service has been given with a smile. They are to be commended for their forbearance in being sent here, there and everywhere, for a drink of water when you want it, for your mail when you want it, and so on. This sense of gratitude has caused me some concern also for their education. I have been told that these children or young boys have in the main about three half days education during the week when we sit at eleven o'clock in the morning. I should like to ask the Speaker to consider whether it would not be possible in the future to see that these children are given the same advantages through a tutor or a professor as those who are fortunate enough to be able to attend public school. I think we would be rendering a service to these children that would be most beneficial. Since I am the father of children myself I realize fully the importance of education. Therefore, I do not hesitate at this time to make this appeal on behalf of those who have rendered, and always render, this service with a smile.

Mr. Macdonnell: Very often in rising one says he had not intended to speak, and I do not suppose that in 1 per cent of the cases it is believed, but possibly I shall be believed at this time, and particularly by the hon. member who interpreted the movement of my head in a way to suit him. It is quite

true that I have been strongly against the proposal for two sessions a year, and for one very simple reason. To me it is clear—indeed, I believe this is admitted by those who advocate it—that it really means that to all intents and purposes we become professionals. At any rate, I was discussing this proposal the other day with some people who advocate it and they agreed. I think that can be taken as true and I take it as true.

I simply wish to say that would cut at the very root of the idea of parliamentary government. My idea of parliament is that it should be composed of people who have achieved some position in the community—I do not necessarily mean in a money way—people who have done some service of some kind in business or otherwise and who therefore have something to contribute when they come to this house. If members of parliament become sheer professionals I believe we will lose a lot and parliament will be composed more and more of people who come here to make a living.

Mr. Pickersgill: As another enthusiastic amateur like the hon. member for Greenwood, I should like to echo and endorse what he has just said.

Mr. Macdonnell: May I say it is worth while to have spoken when my words are greeted with such an endorsement.

Mr. Herridge: To reply briefly to the hon. gentleman, with whom I am often in such complete agreement on matters of principles related to parliament, I cannot understand why a person becomes a professional if eight months or seven months are divided in two and part of the session is held before a holiday and part after. I cannot quite see the logic of his argument.

Mr. Bigg: Mr. Chairman, one of our respected members, the hon. member for Mackenzie River, has suffered serious damage to his health. I am very sorry that this is so. He is a personal friend of mine but he is also a valuable member of the house and I think part of his trouble is related to the inadequate expense allowance for those in outlying constituencies. He is not a member of our party, as hon. members know, but I know him personally. He has given of his time and of his health to the north country in no uncertain fashion. He knows his constituency because at great expense to himself and danger to his health he travels widely throughout the constituency. He could not possibly pay his way on $2,000 a year.

I think it is high time we reviewed the whole subject, particularly so far as our undeveloped areas are concerned. His railroad pass is absolutely useless to him. There are no railways in his district. We are going to improve that situation somewhat in the near future, but I know personally that at the present time he is unable to meet the expenses involved.

The hon. member's remarks about the mounted police were very timely. I have a letter in my pocket from an ex-commissioner of the mounted police commending the hon. member for Mackenzie River for his very comprehensive remarks in this regard. The long sessions we are having exaggerate the situation. The result is that he only has a very short period, September and October, when he can travel throughout his constituency. He has to fly wherever he goes, and anyone who hires an aircraft for personal reasons in the north country knows that the hon. member could not make more than one short trip down the Mackenzie for $2,000.

I cannot ignore this opportunity to bring before those responsible the urgent necessity of looking into this matter. It affects others besides the hon. member for Mackenzie River, of course, but I have used him as an example because in my opinion he has suffered physical damage in the service of his country. I should like to see serious consideration given to reviewing expenses in general and the expenses of the hon. member for Mackenzie River in particular.

Mr. Regier: Mr. Chairman, I wish to make some detailed references covering a number of votes and perhaps I should do so at this time. I have never been able to understand why the highest officer of parliament, Mr. Speaker, should receive an allowance less than that of even the smallest cabinet minister. When I say "smallest" cabinet minister I mean one who is in charge of a not very onerous department of government. If we had greater respect for parliament I believe we would ensure that the highest officer of parliament received remuneration or compensation, call it what you like, more in line with the dignity of his office.

I should also like to refer to the plea I made a number of years ago on behalf of the deputy chairman of committees. I believe we are doing a wrong to him because in effect the Speaker, the Deputy Speaker and the deputy chairman of committees have year round employment. When the House of Commons is not sitting they are actively engaged in preparation for the next session of parliament involving research work and many other responsibilities of their offices. To pay the deputy chairman of committees only an additional $2,000 a year is in my opinion

most inadequate. I would not be adverse to increasing the remuneration of the Deputy Speaker, but I feel very keenly that the dignity of the office of Mr. Speaker demands that he receive at least as much as a cabinet minister and I believe we are doing a continuing injustice to the deputy chairman of committees.

In addition, I endorse most happily the views expressed by my colleague, the hon. member for Kootenay West. Over the years, both in the former parliament and in this one, I have been one of the harshest critics of government policy. However, I believe that I take second place to no one in my love for the institution of parliament. I believe it will be a sad day for us when we permit our institution of government to be governed by the experts. In one large area of the world there is a government where in effect the experts or scientists rule the nation. In Hitler's time we had another nation ruled by so-called scientists and experts.

The House of Commons is the place of the people. This is the place where the people speak. After having known many members of parliament it is my belief that they are as good or as bad as most Canadians, and on the whole it is my conviction they are on a higher level than the average Canadian elector. If there is something radically wrong with the institution of parliament or the members who compose parliament, it is my opinion there is something radically wrong with the Canadian electorate because I am convinced that we in this chamber are no more and no less than the people of Canada as a whole.

I do not like politicians and newspapermen making reputations for themselves by attacking fundamentally and basically one of the most sacred human institutions we have. I readily admit that changes and reforms are necessary. We do have a committee to consider our procedure and I am sure that such a committee should continue to work continuously in order to ensure that parliament adequately represents the people, not the government. Parliament was never intended to represent the government, it was intended to allow the people's voice to be heard in the presence of the government. We, I believe, must be continuously on the alert for ways and means for making it a more effective institution of the people. I do not like the inference that those who may be elected to this house do not deserve to be here. I have a tremendous respect for the right of the people to send here whoever they please.

Mr. McGee: I should like to interject briefly in this debate to comment on the action taken by Mr. Speaker during the past session as a result of recommendations made at this time last year, and I am sure in years before, particularly with regard to the appointment of extra guides to conduct people around the building and in extending the visiting hours. I have a few suggestions to make, one of which will save some money and the other of which might cost a little money, but I believe both would accomplish something.

First, I should like to refer to the documents that are placed at the seats of members of parliament. I notice behind me I have two French speaking members, and there is hardly room for them to get into their seats because of the pile of documents. Most other desks, at this stage of the session, are fairly full of bulky documents. My seatmate and I decided this year to experiment by eliminating one set of documents. I do not know if we have any other advantages over other members in the house, but at least we have a great deal more leg room and I suspect a more tidy desk. As I say, if all other sets of double desks were furnished with one set of commons bills, *Hansard*, Senate reports, and so on, I think that would be one way of saving a bit of money.

The other suggestion concerns what goes on in this chamber and in the building after the house prorogues. I have voiced this suggestion to Mr. Speaker earlier this year, but I should like to repeat it publicly now. It concerns something in addition to the information provided by the guides on the workings of the House of Commons. I believe the Speaker of the House of Commons has a copy of the film entitled "The Sceptre and the Mace", which deals with the opening of parliament and contains educational information on how we go about accomplishing things in the House of Commons and the Senate. It is my suggestion that when the house is in recess this film "The Sceptre and the Mace" might be shown at frequent intervals during the day, possibly in the railway committee room or some other appropriate place in the building, so that visitors and tourists, particularly Canadians who are visiting Ottawa in increasing numbers every summer, can get a vivid and clear picture of the working of parliament, even though parliament may not be in session.

Another suggestion which I should like to make at this point is related to a practice followed in Great Britain. I think there might be some fairly obvious point in the main lobby of the building at which some visual indication could be given of what is going on in the house, just what part of the proceedings we are dealing with, and so

on. I do not know whether we would go as far as I am told they do in the United Kingdom, that is to indicate who is speaking at any particular time. However, this would provide some visual indication to the casual or serious visitor to this building concerning what is happening in the house.

I should like to agree with the suggestions that have been made here today, and at other times, concerning the desirability of providing an adequate allowance so that the first commoner could adequately represent us without going broke in the process. It seems to me there has been hardly a week go by when I have been on my way into the chamber that I have not observed our first commoner entertaining visitors on our behalf. I think it is important that he should be given an adequate allowance to cover these fundamental and necessary expenses.

I should like to offer another suggestion which concerns the position in order of precedence which our Speaker occupies. I am given to understand that we are almost unique in that we place our Speaker somewhat farther down the ladder than is the practice in many other legislatures within and without the commonwealth. I feel this is something that might be re-examined, and I would be very much in favour of placing our first commoner as high in the social spectrum as it is possible for him to be.

Mr. Carter: I had intended to defer my remarks until we reached item 183. However, in view of the fact that I am going to ask for some information perhaps it would be more convenient if I put the question now, thus affording His Honour a little more time to answer it when we reach that particular item. Before I go further, I should like to associate myself with those who have paid tribute to the fine work and the devoted efforts of our staff in this House of Commons. I am sure we all appreciate very much the services that they are giving to us. I quite agree with the hon. member for Kootenay West that, in view of the long hours they are putting in, they are very much underpaid. I agree also with the remarks of the hon. member for Burnaby-Coquitlam that the salary of Mr. Speaker himself is quite inadequate. I have been searching through the estimates to find under what item His Honour gets an allowance for entertainment. I have an impression that in view of present-day costs, that item, too, must be quite insufficient.

The hon. member for Athabasca referred to certain members whose expense allowance did not meet their costs incurred in travelling around their ridings and, therefore, they had to pay those costs out of their indemnity. I am sure that we would not want Mr. Speaker to be placed in that same position where he would have to finance the expenses incurred by entertaining so many important delegations who are calling here, and who should be entertained on behalf of us all.

The question I wanted to put to His Honour has to do with the salaries of the staffs. The question was touched upon by the hon. member for Kootenay West when he referred to the recent increases in civil service salaries. I should like to know how many of the staff have already received the benefit of that recent increase, and whether the total estimate under item 183 has made provision for the increase.

(Translation):

Mr. Fortin: Mr. Chairman, for two sessions now we have had in this house the experience of simultaneous interpretation, and I think everyone has found it satisfactory. The system has been of great value and has enabled many members to understand speeches made in the other official language.

However, Mr. Chairman, the sessional work is not done exclusively in the House of Commons. I would therefore suggest that the simultaneous interpretation system be extended to the committees, that is to say in two or three rooms where the main committees of the house hold their meetings.

It was said at one point that French speaking members from the province of Quebec did not take an active part in the work of the committees. I do not agree with that statement, but I would say that, even if it were true, there might be a reason for it. When a member who is called upon to put his views before a committee and does as responsible a job as he can only to realize that his audience does not understand him, and that quite often even the chairman of the committee does not understand, it is an unpleasant experience; indeed, it is a bit discouraging for one who has taken the trouble to study a particular subject.

I think if that system were established in a few committee rooms, or perhaps on a trial basis in one of the committee rooms every hon. member would be in a position to make a more efficient contribution to the work which is being done in the committees.

Mr. Regnier: Mr. Chairman, I want to support the suggestion made by the hon. member who just resumed his seat, that the simultaneous interpretation system be extended to the discussions of some of the committees of the house. I have often noticed that French speaking members did not take part in

committee debates just because of the absence of a simultaneous interpretation system. Moreover, as a rule, the chairman of the committee is English speaking and does not understand French. It therefore becomes almost impossible for hon. members from the province of Quebec to take part in committee discussions. That is probably one of the reasons for the absence of French speaking members on some committees because, if they use French, they are not understood. If, on the other hand, they attempt to use English, they often risk expressing their ideas in a form which does not exactly represent what they have in mind.

I also wanted to associate myself with those who complained about the altogether too low salary being paid the Speaker of the house. The Speaker's task is a very difficult one; he has to be present in the house and I would say that it is, in fact, he who directs parliament. In my view, his salary should at least be equal to a minister's.

Now, Mr. Speaker, I have found too that there is a certain inequality in the salaries paid to some of the staff.

For instance, I note that in the parliamentary library, the French assistant librarian is paid only $7,500 a year, whereas the salary of the English speaking assistant librarian is $8,580.

On the other hand, I notice that the salary of the editor of the English section of the *Debates* is $9,060, whereas the editor of the French section gets $8,580.

In the *Journals* division, I see that the head of the English section gets $9,060 a year, whereas the chief of the French section receives $8,220 only. Moreover, in the same division, the salary of the assistant chief of the English section is $7,500, and that of the assistant chief of the French section is paid only $6,660.

I cannot admit such a difference between the salaries of English speaking and French speaking members of the House of Commons staff.

Mr. Chairman, during three and a half days we dealt with human rights and the elimination of all discrimination with regard to language, religion or race. Yet, there seems to be some discrimination in the House of Commons, as the salaries are not the same for identical work, because, after all, it is probably more difficult for French speaking employees to accomplish the work required of them.

I am therefore of the opinion that it is time that such a situation be corrected.

(Text):

Mr. McCleave: I shall be brief, Mr. Chairman. I want to make two points only. The first is with reference to the speech made by the hon. member for Montmagny-L'Islet. I would suggest to Mr. Speaker for his consideration that the simultaneous translation system, if it is extended, should first be extended to the seats in this particular chamber for the audience. I give this fact to the house merely by way of illustration. Any time when debate is in English, they might look around the chamber and note how many of the French speaking deputies now need to use the simultaneous translation here in order to understand the words in English. The plain fact is that all our confreres from Quebec are adept, as they always have been, to quickly pick up the use of the English language. I suggest that priority should be first for the spectators in the galleries before extension of the translation system to other parts of the house and then to one or two committee rooms, perhaps as a start.

The other reference I should like to make comes from a remark made by the hon. member for Port Arthur, in dealing with what he called the cultural lag in the institution of parliament. I think that his argument and particularly an article he wrote for a national magazine have been rather effectively met by his confrere, namely the hon. member for Burnaby-Coquitlam. But if that be not the case, I certainly want to challenge the remarks of the hon. member for Port Arthur with regard to parliament being in a cultural lag. This, of course, is a term or phrase that has popular usage among the social scientists. It indicates a feeling on the part of those who use this argument that parliament should be as bright and shiny as next year's model car with souped up horsepower, covered with chrome and completely geared for all the vicissitudes of life in the twentieth century.

My own attitude toward parliament is this. May I say that I have been here no longer than has the hon. member for Port Arthur and I certainly would not want to press my young and presumptuous views on the House of Commons. I think any good hard look at our system comes best from members like the hon. member for Greenwood, the hon. member for Bonavista-Twillingate or others who have been here a great deal longer than we have. We are still junior leaguers.

However, my idea is that the people are quite content to have an institution that has about it a faint odour of moth balls, one that does not show signs of becoming a factory with modern and swift assembly lines and the use of automation. I think they prefer parliament to be perhaps a little bit slower than the fast pace of the twentieth century.

After all, the House of Commons is a place for meditation and reflection. I certainly decry the suggestion that our institution is behind the times from a cultural or any other point of view.

Mr. Peters: I should like to say something on this matter also. It seems to me that we have had probably two extremes and I am not in favour of either one. I think this parliament of ours does not function as well as it might function. I do not think it functions as well as most of the members think it can function. I think we are being silly to stand on tradition and say, "Let us not make a change because it is a change". I think we should consider those changes that are necessary and that all hon. members agree are necessary. This is one place in which there should be no government and no opposition. The members themselves should be free to agree on what changes will make this parliament much more efficient.

I have been satisfied with the operation of this particular department in the past year. We have received courteous consideration. But I should like to make a plea which I am sure Mr. Speaker would also like to make, namely a plea for more money to do the things that should be done particularly in relation to the staff. I am sure the public does not know that the staffs, having regard to their overtime, in the main are not getting paid at all for the work they have to do. That statement applies to the *Hansard* reporters, the *Hansard* staff and all the people concerned, not only those in front of the committee but those in the back rooms who never come to the attention of the public. These people are working till one and two o'clock in the morning in order to get the work done so that parliament will function. Their job does not call for them to work until one or two in the morning; they should be finished by 11 or 12. This is a hardship being imposed on them which we have not been able to do anything about because money has not been made available to take into consideration these things.

I should like to ask another question. In the Senate they have an internal economy committee. I did not know who composed it or what its function was because I was not involved and therefore can plead ignorance because it did not affect me personally. But in the Senate they have already made their fourteenth public report and it is reported in *Hansard*. They have gone into the changes which have been made with regard to the salaries of the people involved and with regard to some of the people who have been promoted. It would seem to me that they should follow us, because after all we make the arrangements for the money which they spend and they have spent the money before we have spent it on our own people. I would like to see this internal economy committee report to the House of Commons in the same way as it reports to the other place.

In their report they state the class of employees concerned. They do not name the people by name but they state how much they get and this keeps them in a pretty open and well understood position so that members of the Senate if they wish, and they did wish in this case, can discuss specific classifications and receive information which is very difficult to receive in the House of Commons.

I think there should be closer liaison between the two internal economy committees so that members of one house do not receive increases before they do in the other and so that increases are kept on a fairly equal basis so that friction does not develop between the two groups of employees.

It would seem to me that some of the changes we could make would bring up to date the advances which are necessary for modern way of living. Many of the members themselves have bought photostat equipment, copying equipment, and some of us have reproduction machines of our own. It seems to me we should give some consideration to the recommendations made a year ago by the consultant from the civil service who recommended quite a number of changes, some of them not acceptable to the House of Commons but some of them very acceptable.

I am pleased to note that Mr. Speaker has given consideration to some of them and that new typewriters are forthcoming next session, because some of the typewriters which we have are museum pieces and I am sure the national museum would be happy to have them. Some of them could never be used economically in a business office because they just are not in good enough shape. The money spent on repairs must be greater than the money the machines originally cost. I would also think that we could put in a number of dictating machines. These are quite costly but they could be attached to a pool where they could be loaned out on a limited basis. They could be kept for only a limited time and one dictating machine would probably do quite a number of members and would be of valuable use, particularly at the end of the session.

I might say I do not need a secretary at this time of year because it is impossible to be in my office and attend committee meetings and the house. I cannot attend all the committee meetings I am supposed to and I

cannot be in the house the length of time I am supposed to, and certainly the place you neglect is your office and your correspondence.

It seems to me that this brings up the major problem with which we are faced. In the first part of the session you have lots of time to decide the things we are going to do during the session, the committees to which you would like to give consideration, time for research, and so on. Then when the session is part way through and the committees are set up you are no longer in a position to do that work because the committees are meeting at an accelerated pace and the house is meeting at the same time. Surely we are adult enough in this country for members to sit down and decide to make better use of our time and facilities.

I met a lawyer the other day and he said to me, "Why is it you people are so stupid? We in the legal profession do not work in the afternoons anymore, it is too hot and you cannot get any work done".

An hon. Member: He must have been a C.C.F. lawyer.

Mr. Peters: No, he was not; he was one of the rankest capitalists I ever talked to. He is not a personal friend of mine but an acquaintance, but even he was of the opinion that this was certainly not an economical way to do business, that we should go home for the summer, come back in the fall and carry on with whatever business is required.

Mr. Chairman, I violently disagree with the argument being used that you have to be old and rich to be a member of parliament. If we have to depend on decaying members of society to run our country just because they have the means whereby they can afford to support themselves, then this will be a fine state of affairs. You will not find businesses which are going ahead and expanding and in competition with other businesses hiring old men who can afford to work for nothing. They hire young men and are willing to pay them, as they sure work them when they get them, and when they get to 40 or 50 years of age they shove them out, and perhaps they run for parliament. This does not seem to me to be a good way of doing things.

Mr. Chairman, I ask you to look around this House of Commons. You will find many young people here who have to buy homes in their own areas, because after all this is a temporary occupation. Nobody can say that he will be here tomorrow or a year from now. This is not the Senate. We have to go back to the people, and all sorts of factors have to be taken into consideration. It seems to me that there is a tendency for young people to take part in politics these days, which is a good thing; but we have to change our way of doing things. I think you will be surprised to find how many members have children who are even going to public school. If you compare this situation with 25 or even ten years ago, you will find that the number of young people has increased very greatly.

This means that we should as members of parliament sit down and decide what we are going to do about this matter of hours. There is no better place to do that than in a committee under the guidance of Mr. Speaker, who is impartial. I think we should all reach the conclusion that we would come back here and do the work before us as rapidly as possible and then, if it was not possible to complete it at the end of June, agree to come back in the fall to complete that work. Surely it would not be necessary to repeat everything we had said in the spring—

Some hon. Members: Oh.

Mr. Peters: We could go on with the business in an orderly fashion. If there was an exchange of ideas between members of all parties I am sure we would find that an arrangement of this kind could be arrived at.

Another problem we face is the problem of offices. I am sure this is receiving consideration. A number of members have been asked to move into other accommodation and I would humbly submit that this is not a good idea. Those hon. members should be in the House of Commons close to the seat of business, which is this chamber, and the committee rooms. If anybody has to move—and I think somebody does—I suggest it should be some of the senators who have time and who have no pressure of business. If they have to move to the west block or to the east block or even further down town I shall be happy to make a contribution towards their expenses in travelling up here or going through the underground tunnel which, apparently, is to be constructed.

Another subject I should like to raise concerns radio facilities in the House of Commons. I had the privilege last year of attending the United Nations and I was very surprised and pleased with the facilities which have been installed there. There are four or five studios there and every morning these studios are being used by representatives of the various delegations. There are facilities for making live radio broadcasts or recorded radio broadcasts. These facilities are free and available to all delegates. I think this is something which we should consider. I am one of those members who use the Report from Parliament Hill which is a facility of the press. We are pleased with that. We think it is an asset. But in the

last two or three weeks every time a radio broadcast has to be made I have had some important committee to attend or an obligation to be present in the house. It would appear to me we have now reached the stage when radio and television facilities should be supplied in the House of Commons and it should be done on a formal basis. We all know that there is at the present time a small radio station in the House of Commons, but this is a private set-up. I think it is a good thing, and it speaks well for the enterprise of some of the press and some of the radio stations, but it is not under the jurisdiction of the House of Commons.

Another problem I should like to raise—and this seems the time to raise it—is the matter of the committee rooms themselves. I have always been very disturbed by the meetings which are held in the railway committee room. I do not know if members of parliament 30 years ago had better lungs than members who sit here now, but at every meeting I have attended in the railway committee room there is always a continual request by members of that committee for the members who are speaking to speak up because nobody can hear them. I suggest that some consideration be given to improving the acoustics of that room whether by putting drapes over the windows or installing an address system. Some attention should be given to this room because the acoustics are worse there than they are in any other room or section of this building.

In closing I should like to raise one other problem. I think the hon. member for Mackenzie River has been mentioned, and the fact that he has suffered a serious illness. This reminds me that we have a higher mortality rate in the House of Commons than exists even in the Senate where the average age would be 20 or 30 years greater. In the last three years a great number of our colleagues have passed on. It has been suggested that those members who have been here for a long time should be in a position to make provision for their dependents but that is not true with regard to all members of parliament. I believe that when the pension plan for members was put into effect more consideration should have been given to the position of survivors and to placing the widow of a deceased member in a much better position. I highly recommend the method which was adopted—I am not suggesting it was for financial reasons—by the hon. member for Grenville-Dundas who ran for office and came here herself. That certainly is one solution, but I think it would be of more general benefit if we were to put better protection into the plan which members of the house now have and I would ask that consideration be given to this as soon as possible.

I should like to make one reference to the press gallery. I have always been surprised when I walk into the press gallery to see the number of people who crowd into that small space. I have had the opportunity a number of times of reading the sections of the Ontario factory act which prevent people from being crowded into too small a space. I think we are treating these people in a way which we would not allow people in a factory or some similar place to be treated; we are cramming 50 or 60 people into a space which would supply offices only for three or four members, and when we move the senators into another building, which should be in the near future, the opportunity should be taken of expanding the space available for these members of the fourth estate.

(Translation):

Mr. Ricard: Mr. Chairman, I do not want to delay the estimates of the hon. Speaker of the house (Mr. Michener); however, I should like to take a few minutes of his time to make some brief remarks.

In the first place, even though others have already expressed appreciation to the staff of the house, I should like to do the same, and to voice my own appreciation to staff members.

I also wish to endorse the views of the hon. member for York-Scarborough (Mr. McGee) in asking the hon. Speaker of the house that the simultaneous interpretation system be extended to the galleries, so that both French speaking and English speaking visitors to the galleries may find it more convenient to follow the proceedings.

I also wish to make a suggestion which I think would improve the Parliamentary Guide.

If, for instance, the biographical sketches of every present member of the Senate and of the House of Commons, carried a small inset photograph, I think it would improve that publication and, at the same time, it would be helpful to us in identifying those with whom we work.

Mr. Pigeon: Mr. Chairman, I just want to take this opportunity to support the hon. members who have suggested that the simultaneous interpretation system be extended to every committee of the house. If the system is not installed at the next session, I would now ask the hon. Speaker of the house to

do what has been done this year, namely have interpreters in all committees, so that members may take a more active part in the proceedings.

(Text):

Item agreed to.

181. Subscriptions to publications of the commonwealth parliamentary association to be distributed to members of the House of Commons, and to provide for the Canadian share of expenses of the commonwealth parliamentary association, $11,000.

Mr. Winch: I should like to say a few words on this vote. During the past several months there have been a number of distinguished visitors to our capital city. Perhaps the two most prominent were the prime minister of Australia and the premier of Northern Nigeria. I was most interested in the remarks of those two world statesmen when they addressed the members at the Speaker's luncheon in their honour. Both of them emphasized the importance of the work of the commonwealth parliamentary association, and they both expressed the view that that organization of parliamentarians of the British commonwealth had perhaps a greater potentiality in the furtherance of freedom and democracy and in solving the urgent problem of these days than any other organization. I agree with all the vehemence, energy and understanding that I have with these sentiments. It is because of the work that I have seen the association undertaking in the past few years, but in particular in the past few months, that I am vastly disappointed to find in the estimates this year the sum of only $11,000 for the furtherance of the work of the commonwealth parliamentary association. It may be said that $11,000 is quite a bit of money for the Canada branch; but I am concerned with the fact that $8,000 of that is to go to the headquarters in London for the purchase of publications; only $3,000 is available for the work of the Canadian branch.

There has been a great increase—and I think a great deal of the thanks for the increase in the interest in the work in Canada must go to Mr. Speaker who has been applying himself so thoroughly and intensely to the work of the organization—in the interest in the work of the parliamentary association; but its potentialities are increasing, and Canada is not able to take advantage of the invitations that are issued and is not able itself to issue the invitations in the numbers that I feel the Canada branch should be doing.

There is a regional conference in Malaya this year and Canada has been invited to send an observer. Canada will not have an observer there because we have not any money. Invitations come from other parts of the world, and especially from the United Kingdom, to parliamentarians from Canada to go over for certain special studies. We have not got the money. Recently, a regional conference was held in the West Indies at which we were represented. I have heard from all sections of this house and from the West Indies how much they would appreciate the opportunity of attending a conference in Canada, but this Canada branch association has not got the money.

In these days of conflict and misunderstanding I feel certain, as a result of the honour that was given me last year of being able to make a trip to Australia and, of course, to visit Indonesia, Singapore, Pakistan and Israel, that the greatest need of today is for the peoples of the world to know each other better and to know each other's country better. If we only did that we would go a long way toward resolving the difficulties, the problems and the misunderstandings of the present day.

I join with the prime minister of Australia and the premier of Northern Nigeria—and I think I am safe in saying I express the point of view of the Speaker—in saying that great as has been the contribution of the parliamentary association in the past it can be of even greater use and serve a greater purpose in the future, but that means that more money has to be available for the work of the commonwealth parliamentary association.

Instead of having only $3,000 available to the Canadian branch in the next 12 months and only $8,000 as our contribution to the United Kingdom headquarters, we should have $100,000 in this estimate. As an absolute minimum I say there should be not less than $50,000 in this estimate. I sincerely hope that the Speaker can say a few words on the work of the association and on his admiration for it. I hope he can give us some indication of his being able to approach the treasury benches for some more money.

May I also point out it was the unanimous feeling and decision at the biennial conference in Australia last year that the conference should be held every year and not every two years. There is a need for that. Unfortunately under the old system is has to be a host country that can afford all the expenses of putting on the conference. Therefore, the suggestion was made that all the governments be approached with the idea of holding the conference annually but instead of the host country having to put up all the expenses there should be annual grants by the governments to the association so that the association could pay the expenses of the conference. If my memory serves me correctly, the estimate for Canada will be approximately $24,000 annually. On that basis, sir, I think it would

be one of the finest investments that this parliament could possibly make.

I did want to make these few remarks not only in support but in appreciation of the work of the commonwealth parliamentary association, in its regional meetings or in its world meetings to express the hope that we can get more money for this most worthy cause and advance the commonwealth parliamentary association as a still greater instrument for freedom and for peace.

Mr. Carter: Mr. Chairman, I do not intend to take the time of the committee by repeating what has already been said, but I do want to indicate my support of the remarks just made by the hon. member for Vancouver East. He has made a good case and described in detail why this item should be increased. I might say that his arguments apply equally well to the following item which has to do with the North Atlantic Treaty Organization. Without going into further detail, I want to indicate my support for an increase in both of these items.

Mr. Southam: Mr. Chairman, it is not often that I find myself in accord with the principles expounded by my good friend and colleague from Vancouver East, but I should like to take a few moments to reiterate and agree with the remarks he has made, and also my colleague from Burin-Burgeo. I am one of the newer members of the house and it has been an honour and a privilege for me to be an active member of the commonwealth parliamentary association during my tenure here. May I also say it has been a special honour for me to be the executive member of that body for my great province of Saskatchewan. By virtue of this experience, I have worked in close association with the commonwealth parliamentary association and also with the NATO parliamentary association in the house here. I feel they are doing very important work. Because of the fact that Canada has taken such an active part in world affairs, especially since the last world war, we are beginning to realize more than ever that we are not independent but are becoming interdependent and our friendly relationships with other countries are gaining a wide importance in world affairs.

I think our commonwealth parliamentary association is taking an active part in the cementing of good international public relations. It was brought to our attention during the recent annual meeting of the association that our limited resources were cramping the work of the association. I should like to support the suggestion made this afternoon to increase the appropriation for this very worthwhile work. Instead of having to try to get along with an inadequate amount of $11,000, I think the amount should be increased to $50,000 or $75,000. In my view the money would be well spent and would be one of the best investments that we as Canadians could make.

His Honour the Speaker pointed out the other morning that we had as visitors in the gallery two members of the commonwealth parliamentary association from Australia. As a member of the committee, and in association with the hon. member for Vancouver East and other members, I have had the pleasure of helping to entertain these gentlemen during the last couple of days. In the course of our association they paid particular tribute to the visit made by Canadians to that great country last year. They associated themselves with the idea that we should come back again and said that they would like to see these visits by members of the association increased. As I say, I fully realize the very important work that is going on.

Mr. Fisher: Mr. Chairman, I should like to make a few brief remarks in relation to something in which the Speaker had an interest last year. In checking through the various committee reports last year I noticed that in the one committee where we had a translator, the special committee on broadcasting, there was much better participation by French Canadian members than in other committees. This year we have had translators in several committees of which I have been a member, especially the one that investigated the Jacques Cartier bridge—

The Deputy Chairman: Order. I think the hon. member was not here when we passed that item. We are on the commonwealth parliamentary association.

Item agreed to.

182. Grant to the Canadian North Atlantic Treaty Organization parliamentary association, $14,000.

Mr. Speaker: As several hon. members have been good enough to comment on the work of the various parliamentary associations, I want to acknowledge their references very briefly. It is a pity there is not more opportunity in the House of Commons for members of the house who are members of delegations that go abroad to report to the house and to share the benefit of the experiences they have. As hon. members will see from these three items, our principal parliamentary exchanges fall into three groups, the commonwealth parliamentary association, to which several hon. members have referred and which now has a very large and active branch here of 280 members in the two houses, more than ever before; the NATO parliamentary association; and the Canada-United States joint parliamentary group.

These bring many of our members into close touch with countries with whom we are most directly connected and associated in the commonwealth, in the NATO alliance and with our neighbour across the border.

I mention these associations because I am thoroughly convinced that their value cannot be estimated in dollars in a world which has been so drawn together by communication and transportation but is so far apart in many of its thoughts. If more of this kind of exchange between members of parliaments is made possible I feel that it has had a very salutary effect and I have observed that it has had very useful consequences with relation to these three groups.

As hon. members will see when we come to supplementary item 529, we are asking for additional funds in order to join the inter-parliamentary union, an association dating back 75 years or more and with a membership among countries with whom we now have no parliamentary exchange, Latin American countries, Central American, Asian, African countries which are not in the commonwealth and European countries which are not in NATO. I strongly commend this proposed new application as well as the additional purpose of this supplementary vote. I apologize for anticipating it but I deemed it appropriate to deal with these items together.

The additional purpose of the supplementary vote is to permit the house to reciprocate the hospitality of those who have received Canadian delegations. That becomes rather necessary in the circumstances which have arisen in the last two or three years. I see a number of members here who were on the Canadian delegation to the commonwealth parliamentary association meeting in Australia. Their expenses were paid, of course, by the Australian government as it was their turn to have the conference. But in the course of that journey members of the Canadian delegation were official guests of the state of Israel for one week and of the Indonesian Speaker and parliament for four days. That is only by way of illustration. Last year the Federal Republic of Germany invited a delegation from the House of Commons and five of us went. This year they have invited a delegation from the Canadian Senate. We saw the new German federal state and its democratic processes at the centre as well as in three of the states as a result of their hospitality.

The Speaker there told us that the Bundestag at Bonn had voted one million marks annually, which is over $200,000, for the express purpose of sending delegations from the Bundestag to other parliaments and inviting others to come to Germany. We were the beneficiaries of such an invitation. I think it is important that the Canadian parliament should be in a position to accept these bilateral exchanges, which means that we must be in a position to repay them in kind.

Item agreed to.

183. General administration—estimates of the clerk, $2,085,293.

Mr. Herridge: Mr. Chairman, in a few fleeting minutes today we have a delightful opportunity to ask questions of Mr. Speaker, and I have two I wish to address to him. In *Votes and Proceedings* No. 124 for July 14 of this year there is a report of the civil service commission dated March 22, 1960, which reads in part as follows:

> Pursuant to sections 10 and 62 of the Civil Service Act, the commission has approved the following, effective from April 1, 1960:
>
> 1. Abolition of the classes, second clerk asistant and chief of English journals, chief of orders of the day and parliamentary papers, assistant chief clerk.
>
> 2. Creation of the classes, second clerk assistant, chief of English journals, clerk of parliamentary papers.

Does that mean that the office now held by Mr. Crossley Sherwood is being abolished? Would the Speaker mind explaining what this change means? Second, pursuant to a question I asked the Acting Secretary of State last night which was out of order, would Mr. Speaker mind explaining to the house what arrangements are made for the purchase of the Parliamentary Guide and its cost to parliament each year?

Mr. Speaker: I am not sure I would be in order in discussing the first question which is raised by reason of a report of the civil service commission tabled the other day, concurrence in which will be moved in the house in due course, but the answer is yes. It does mean a reorganization and the abolition of that particular office but it does not abolish the duties of that office. It is a consolidation under the administration of the English journals branch of the orders of the day and parliamentary papers. It was thought, and so found by the commission, to be a more efficient administrative arrangement and the change itself does not affect the tenure of office or the position of any individual.

The answer to the other question is that the Parliamentary Guide is purchased from a gentleman who publishes it as a private enterprise, and we purchase it through the vote under the heading "Sundries", I believe. The quantity purchased is 420 copies annually, 265 for the members, 96 for the press gallery, 45 for officials and the table, making a total of 406, with a surplus of 14

for contingencies. The price is $6 and the editor is Mr. Normandin, who has published the book for years and, of course, has other outlets than the House of Commons.

Mr. McIlraith: I should like to ask one or two questions of His Honour, the Speaker, concerning pay increases granted to the staff of the House of Commons, both the staff under this item and under item 184. As I understand the matter, pay increases have been granted to a large number of the staff, but some members of the staff have not yet received any increases. I want to find out and make sure that is merely because the classifications or groups not yet receiving pay increases have not been dealt with, and also to make sure that pay increases, when granted to them, will have the same effective date as those already granted.

Mr. Speaker: In general, the answer is along the lines suggested by the hon. member. There have been 415 members of our staff who have already received the increase, as part of the series of civil service increases which the house has discussed from time to time, leaving 291 who have not yet had the increase, but who will when their categories are reached in the rest of the civil service. They are in categories which have not yet received the increase in the civil service generally, and we have timed our action with that of the civil service generally, so that the corresponding categories will be increased at the same time. Perhaps that answers the question.

Mr. McIlraith: There is one part of the question which perhaps I should develop a bit further. The pay increases in the civil service outside of the house have not been made effective at the same time; that is they have come into effect on different dates, depending on the particular group involved. I would express the hope that the internal economy commission dealing with this matter in so far as the House of Commons is concerned would adopt the principle of having all pay increases effective at the same time.

Mr. Speaker: I appreciate the hon. member's concern that that should be done. Actually there are two different dates for those who have already had increases, April 1 and May 1. In so far as those who have not had the increase are concerned, most of them are not temporary employees of the House of Commons but are on the regular establishment of the civil service, and they will receive their increases as a matter of course when those categories are dealt with by the civil service commission and presumably the same commencement dates would be applied to them as to their corresponding employees in other departments.

[Mr. Speaker.]

Mr. McIlraith: May I ask one further question? Is the matter of their increase a matter for the civil service commission and the government or is it a matter for the internal economy commission of the House of Commons?

Mr. Speaker: If they are, as most of these people are, permanent civil servants, then it is automatic. The action of the internal economy commission is taken with respect to those who are not under the Civil Service Act, and they were dealt with on a class analogy to the action of the civil service commission.

Mr. Fisher: I should like to raise a question in connection with translations in parliamentary committees. I believe most members of the house have enjoyed the change that has come over the house itself since the translation system was installed. I should like to ask the Speaker whether it would not be possible to make a more consistent arrangement for translation services in the house committees. I should like to know how the service we have had so far has been arrived at. In the broadcasting committee of last year, and in the Jacques Cartier bridge committee this year, there has been someone in attendance to translate, I understand at the request of the French speaking members.

It seems to me that in fairness to both the French speaking members and the English speaking members on the committees, a more thorough and complete job of translations might be available than exists at the present time. I shudder to think of the position I would be in, as well as many of the English speaking members, if we had to express our thoughts or our questions in French. I am sure that cuts both ways. If bilingualism is recognized in the house by the translation system, with the proliferation of committees and the increase in their work, it seems to me we might think more seriously of taking better care of this problem in the house committees. I would be interested in Mr. Speaker's comments on that, and any background information he may be able to give as to how what we had was set up, as well as to any possibility in the future of extension of such facilities.

Mr. Speaker: Yes, this is a question which has also been raised earlier by the hon. member for St. Boniface, the hon. member for Joliette-L'Assomption-Montcalm, and the hon. member for St. Hyacinthe-Bagot, and which has been receiving consideration. I, myself, have spent considerable time this session in discussion with the engineers of the organization which services our sound system in the chamber. They are in the course

of preparing quotations for installations which will deal with this problem of simultaneous translation in committees. We are working experimentally. It was my thought that if we had one room properly equipped, where committees which particularly needed the translation could experiment with it, that might be the first step. The cost of equipping all of our committee rooms with facilities, and more particularly with personnel for translation, is quite a sizeable undertaking. We are definitely working on the problem and I hope next session we shall be able to supply translation for at least one committee at a time.

Mr. Carter: I should like to ask a supplementary question to the one I asked earlier. Of the 415 members of the staff who have received increases, are the sessional stenographers included?

Mr. Speaker: Yes, all of those who are sessional stenographers received the increase which was effective as of April 1, I believe.

Mr. Carter: My second question is this. Does this figure given here of $2 million plus take into consideration the further increases that have not yet been granted?

Mr. Speaker: No, it is not in that vote. However, there was a vote of the house to cover the increases as they were brought about and that includes the House of Commons staff as well as other civil servants.

Mr. Valade: I know that Mr. Speaker will be glad to know that I am not rising on a point of order or a question of privilege at this time. My purpose at the moment is to congratulate him on the wonderful way in which he has presided over the debates of the House of Commons in French and in English. I am sure all members of the committee share my point of view in this respect.

I wonder whether the hon. gentleman would consider my proposal to place on the shoulder band of the protective staff the bilingual designation of their functions, as the House of Commons and Chambre des Communes. I think this would be a fine gesture toward the tourists that come here and would also signify the bilingual characteristics of our country.

Mr. Pearson: I know that anything I might say on the subject which has just been raised is prejudiced because of my long and, for me, highly rewarding friendship with the Speaker. However, notwithstanding that fact, as one whom he keeps in order when the occasion seems to require it may I say that I am sure it has been a long time since this House of Commons has had such a good Speaker.

Item agreed to.

Library of Parliament—

186. General administration, $352,828.

Mr. Speaker: May I answer one question which I should not like to leave unanswered? It relates to the library. The hon. member for St. Boniface raised the question of salaries or rather the difference in salaries as between the assistant librarian in English and the assistant librarian in French, which salaries in the column are shown to be different. May I say this to him.

(Translation):

The salaries are exactly the same, but the two staff members referred to do not have the same seniority within the service.

(Text):

It is an explanation which is not apparent but the range of salaries is exactly the same. One happened to have started his services earlier than the other and is further advanced.

Item agreed to.

The Deputy Chairman: That concludes the legislation estimates.

Mr. Speaker: May I thank all hon. members who have been so cordial and assure them that their remarks will encourage me in the performance of my duties in the future.

DEPARTMENT OF LABOUR

General administration—

164. Departmental administration including a grant of $10,000 to Frontier college and the expenses of the international labour conferences, $1,118,255.

Hon. Michael Starr (Minister of Labour): In bringing before the house the estimates of the Department of Labour and the unemployment insurance commission, I do so in the knowledge that the efficient functioning of these two departments is of concern to many thousands of Canadians and, of course, to the members of the House of Commons.

As all members are aware, the number of men and women in the working force in Canada has increased considerably in the short period of ten years and the functions and the services of these two departments have been extended to meet the new demands which have been created.

In 1950 the labour force numbered slightly over five million. Today there are some 6,454,000 Canadians in the labour force which shows an increase from 1950 to the present time of some 20 per cent. Hon. members are also aware of the rapidly changing pattern in Canadian industry in a period which has seen a change-over from primary occupation and an increase in the employment in secondary

manufacturing industries and in the trade and service industries. The transitions in the economy have been reflected in the changing complexion of the labour force, in the nature of the occupations which are being followed and, of course, in new production methods owing to the rise of technology in industry. In the field of labour in Canada and in the social-economic aspect related thereto, change has been the order of the day and in the past few years change at a rate unprecedented in our history. The transitions that are taking place have posed complex problems for both the Department of Labour and the unemployment insurance commission.

When one deals with the unemployment insurance commission, the operations of that department relate directly or indirectly to almost every Canadian who is holding a job or looking for a job. I would add that both these departments—that is to say, the Department of Labour and the unemployment insurance commission—are aware of the extent of their responsibilities in these matters and that the aim of all our operations is to keep abreast of the changing conditions which are evident in our industrial and economic structure.

The Department of Labour is asking for a sum of $14,985,700 in the current estimates. In the 1959-60 estimates the department required $15,991,942. That figure shows a decrease in this fiscal year. The unemployment insurance commission request $88,411,000. This figure represents an increase of something over $13,500,000 and is accounted for largely by an increase in the government's contribution to the fund arising from the recent amendments to the act. I should point out, Mr. Chairman, that the estimates of the labour department do not take into account the supplementary estimate which was passed by parliament dealing with the special municipal winter works program in the amount of $15 million. At this point I want to reiterate what has been said by the Prime Minister. Last Saturday in the house the Prime Minister announced that the municipal winter works incentive program will be continued and enlarged in scope in the coming winter and an item to cover the cost of this program will be included in a later supplementary departmental estimate.

The house will be aware of the fact that the main estimate of these two departments total $103,129,198 and supplementary estimates will raise the total to $103,366,700. The total for last year was $90,845,942 or $12,520,758 less than this year, as I have already explained. With your permission, Mr. Chairman, at this point I will enlarge briefly on the functions of the Department of Labour.

[Mr. Starr.]

The department has an establishment of 626 employees and is responsible for the administration of Canadian labour legislation in the federal field. Such legislation includes the Industrial Relations and Disputes Investigation Act, the Fair Wages and Hours of Labour Act, the Fair Employment Practices Act, the more recent Vacations with Pay Act, the Female Employees Equal Pay Act, the Vocational Training Co-ordination Act, and various agreements entered into thereunder, farm labour agreements with the provinces, civilian rehabilitation agreements, the Government Employees Compensation Act and the Government Annuities Act.

Apart from the actual administration of this legislation the department provides services for the continuing development, promotion and co-ordination of a number of programs in the national interest in which these pieces of legislation have a place as well as in other programs in the manpower utilization area. These include our educational activities in the general field of discrimination in employment in Canada on account of race, colour, religion or national origin; the promotion of joint labour management co-operation committees; the work of our women's bureau in the interests of training, employment and the welfare of women in industry; the promotion and co-ordination of activities for the rehabilitation and employment of disabled persons; the activities of our training branch in co-operation with the provinces, industry and labour in the improvement of apprentice, trades and technical training programs, and the establishment of uniform trades training standards; the older worker employment program; our winter seasonal employment program; and the work done in connection with farm labour.

It will be evident that these measures and activities embrace a wide area of social and economic activities in the field of human welfare. The various functions of the department thus are related to services which have come to be essential in a closely integrated industrial economy. They operate so as to assist the smooth functioning of the economy and they are also designed to provide the government and the members of this house with day to day information on the rapid and fundamental transitions which are taking place in our economy.

Let me say that my department is keeping abreast of these transitions and that such matters as automation, the utilization of manpower, the progress of working conditions in industry and other matters of urgent concern are the special province of the research branch of my department which is

thus enabled to provide useful and up to date information on a continuing basis. This information on changing conditions in industry and in the labour field is immensely valuable not only to myself as minister and to the government, and I think also to members of the House of Commons in the determination of questions which arise before us, but also are widely used and appreciated by industry and labour and the provincial authorities.

Over a ten-year period the cost of all these services has risen in line with the extension of the facilities which are being provided. Taking into consideration the rise in the labour force, the increasing complexity of industrial and economic patterns, the need for keeping abreast of changing conditions, it would be surprising indeed if services had not increased correspondingly. In the industrial relations branch, for example, 106 disputes were dealt with in the past year by conciliation officers. Of these about 76 per cent were settled without the necessity of further proceedings. In only one dispute was a settlement not reached and a strike resulted.

Under this branch, I may add, come administrative responsibilities relating to such social concepts as discrimination on account of race, colour or creed. Discrimination is of course a continuing problem. It may not be perhaps as widespread in Canada as in some other countries, but we are certainly not as yet in any position to throw stones. I may say, Mr. Chairman, that in the preservation of good relations in industry the principle that is observed in the department is that labour and management should be encouraged to develop maximum initiative and that they should be relied upon to keep their house in order in their own best interests.

I mentioned the economics and research branch, and may I say that the work of this branch has become more and more important with the increasing complexity of industrial organization. This branch surveys the whole field of manpower in Canada dealing with trends in the labour force as well as the compilation and analyses of wage and working conditions and other data in the labour management field. This is achieved in co-operation with the national employment service.

As I said, these trends, developing as they are with maximum rapidity, must be lucidly analysed in order that full information may be available as speedily as possible and as accurately as possible. A number of studies have recently been completed on automation and its effects on manpower and studies have been prepared in the past on various phases and aspects of seasonal unemployment. Others are now in progress. This work of checking, compiling, analysing and reporting goes on continually.

I might mention at this point that before I resume my seat I wish to make a statement on what we find from the work we are doing in the field of automation, and I do this specifically at the request of the hon. member for Vancouver East who has shown a great deal of interest in this aspect of our industrial development.

Before leaving this aspect I might add that the joint research programs of seasonal employment are presently being carried on with the governments of the provinces of British Columbia, New Brunswick and Nova Scotia. There is an advisory committee on professional manpower with representations from the various professions which greatly assists the department in questions relating to this subject. A national registry of engineers and scientific personnel is also maintained.

In all the discussions on dislocation in industry due to changes in technology, the fact has emerged that there is increasing importance in providing the type of training required to bring Canada's labour skills to a level in line with modern requirements. Let me say at once that this is a task of major importance. The provision of this type of industry training on a scale necessary to meet future requirements will require a degree of foresightedness and co-operation on the part of federal and provincial authorities and industry.

At the present time there are a number of agreements in existence with the provinces entered into under the Vocational Training Co-ordination Act. The vocational and technical training agreement No. 2 provides $40 million over a period of five years, ending in 1962. Of this $15 million is for operational costs and the remaining $25 million for capital costs for expansion of training facilities. There is also the special vocational training projects agreement which provides for refunding 50 per cent of provincial government expenses in training of unemployed workers and disabled persons, as well as supervisors in industry; and training in fishing and agriculture.

A few days ago I advised the house of the government decision to increase the federal contribution to costs of training of unemployed workers from 50 per cent to 75 per cent of such costs. This is a cost sharing agreement with the provinces and the incentive in respect to this training lies with the provinces. We hope that this increase on the part of the federal government will be an incentive to the provinces to increase this program.

Our women's bureau works closely with other branches of the department, the national employment service, and other departments and with the national women's organizations, for the promotion of good standards in the fields of women's work and a better understanding of the problems of women in the labour force. I might say at this point that two public spirited bodies—the vocational training advisory council and the apprenticeship training committee—are most helpful to my department in the administration of these agreements.

Having mentioned these bodies, I trust the committee will grant me the indulgence of pausing for a moment to express my appreciation of the valuable work of the loyal and devoted staffs of both the Department of Labour and the unemployment insurance commission. In a period of change they have magnificently met the challenge and have performed a service that is greatly appreciated by myself as minister.

While I am dealing with training I might mention that enrolments in all training programs have continued to increase and that this presents a problem to practically all provinces in finding adequate staffs and accommodation. This is particularly acute in respect of technicians and trades training programs. Registered apprentices in training, for example, have increased to some 20,000 persons. Last year training was extended to unemployed persons on a much wider basis than previously. This, as was recently announced, will continue on an expanded basis. Training for disabled persons has increased by about 15 per cent. Apart from apprenticeship training there are some 15,000 persons receiving training under these co-operative federal-provincial agreements. In additions, enrolments in vocational schools across Canada number more than 130,000.

I may say that at the present time vocational training facilities are filled to capacity and there is a need for additional facilities. To meet this need the provinces are being encouraged to establish additional facilities and to take advantage of capital funds which are available under these agreements. More facilities are particularly required to train persons who have left the regular school system either before or after completing it.

In a program of the magnitude we have in Canada caution must be exercised to maintain a proper balance between the long term educational and training needs and the shorter range programs to retrain or refresh those who need such training to adjust to rapidly changing conditions. We also have agreements with the provinces sharing costs of movement of farm labour, and I shall be pleased to discuss these in greater detail on the individual estimates.

As hon. members know, my department has been active in promoting a program encouraging people to have certain types of construction and repair work done in winter. Following the slogan of "Do it now" this program has had a degree of success over the years. The slogan has become popular and well known and the program was intensified last winter and also in the present fiscal year. My officials inform me that the modest amount spent in advertising by the department has stimulated some $3 million worth of advertising in this field by private industry and has been instrumental in providing a good many jobs during wintertime for persons who otherwise would have been inactive.

The special services branch was responsible for administration of the municipal incentive program which contributed to some $75 million worth of municipal construction during the winter months and provided direct on-site employment for some 50,000 persons. Since this program is dealt with generally by supplementary estimate, and has already been discussed in the house, it does not appear in these estimates.

In the field of civilian rehabilitation, in which my department, together with the Department of National Health and Welfare, also co-operates with the provinces, a simple illustration will serve to show the effect of this program. Of the first 4,689 cases reported as successfully rehabilitated, 3,600 when referred had no earnings whatsoever and with their 3,410 dependents, were being maintained at an annual cost of $3,500,000. After rehabilitation their estimated earnings in the first year will total $8,500,000. I think that this indication in itself justified the program. We have the benefit of the advice of a widely representative national advisory committee in the promotion and operation of this program.

In this respect a great deal of attention has been devoted by my department and the unemployment insurance commission to the problem of the older worker, and we are continuing to pursue this policy among employers.

The information branch of the department also disseminates factual information through press, radio and television, dealing with the various functions and activities of the department.

The annuities branch is of course, concerned with the administration of government annuities, and I will be pleased to answer any questions in this regard at the proper place in the estimates.

In dealing with the unemployment insurance commission one is confronted with a department numbering some 8,500 employees, staffing some 200 offices across Canada. This department deals in a direct and often personal way with many thousands of Canadians across this country and as such its administration is of considerable interest. Costs of administration, including the government's contribution to the fund, in the present estimates come to something over $88 million which as I have said is an increase of some $13,500,000 in the federal government contribution. The commission is charged with administering many millions of dollars annually within the terms of the act and, of course, is concerned to see that proper controls are maintained at all times.

The administration of this department caused me some concern when I first took over my present responsibilities. Over the past two and a half to three years I have endeavoured to help in any way I could to obtain the maximum possible service from this department and to see that the maximum possible service was rendered to all Canadians. To this end I have continuously emphasized the need of courtesy on the part of the commission staffs. I have also made it a point to emphasize the placement side of the operation so that officers whose function it is to find jobs for Canadians were given every facility to do so.

Let me say that it was quite evident from the first that salaries in this organization, particularly on the placement side, were not such as to attract the type of qualified person necessary to perform an efficient job in this regard. At the same time, and perhaps as a result of this, there were acute shortages of staff. Steps have been taken to adjust both of these situations.

The increase in the commission's administration costs this year totals $857,000, which may largely be attributed to salaries. Further salary provisions totalling some $2,794,000 will be provided through the general civil service salaries vote. There is an increase of some $200,000 in the vote relating to transfer of labour, and this covers anticipated removal expenses of workers owing to the decline of the uranium industry in Elliot Lake and Uranium City.

During the fiscal year employers listed some 150,000 more jobs with the placement service than in the previous year, indicating a growing acceptance of this service. The number of placements effected was 987,481, an increase of 120,000.

At the present time, an estimated 70 per cent of urban employers avail themselves of the services of the national employment service, and the national employment service endeavours to bring to the attention of Canadians this service that we have available to them. The commission during the recent months published a booklet entitled, "N.E.S.—Geared to Canada's Employment Needs" which tells the story of how the national employment service can help employers in recruiting their employees. I know that hon. members would like a copy of this booklet and they may procure it if they ask my office for a copy.

It will, of course, be realized that a national employment service cannot properly operate unless both employers and employees make use of such a service. During the coming months an effort will be made on the part of the commission to contact an increased number of employers in order to obtain a larger number of orders for employment.

The total amount of benefits paid out during the year was $415 million, down somewhat from the $479 million in the previous year. Owing to higher contributions, revenue was up by $40 million to $275 million. Some 190,000 audits were completed and 37,340 investigations were undertaken by the unemployment insurance commission. The enforcement branch carried out 73,547 investigations compared with 67,702 in the previous year.

May I say that the chairman and members of the commission are co-operating fully in the endeavour to constantly improve the administration of this important service. During the coming year the placement service will continue to be strengthened in order that it may fulfil its function of finding jobs for Canadian workers. It is my aim, Mr. Chairman, and I know it is shared by all members of the staff, to provide the best possible service for Canadians. We are making every effort to provide better accommodation, to secure more qualified people for the service and to enlist the co-operation of labour and industry in the general administration.

This government has already announced a number of measures which will help to stimulate employment in the coming months. One of these was announced by my colleague the Minister of Public Works in respect of housing that, commencing on September 1, the ceiling for those who can qualify will be raised to $7,000 and to $7,600 for those with families. These loans will be available to builders of pre-sold homes, with as much money as will be necessary and required to fulfil this need. This most certainly should stimulate a great deal of employment.

Our winter works program, which has been announced by the Prime Minister, has been expanded on the basis of the recommendations of the Canadian federation of mayors and municipalities. An earlier announcement

had been made in this respect and we hope that here, too, there will be a substantial increase in the number of people employed during the coming months.

The training of unemployed workers is a very important thing because at the moment, in my opinion, there should be very few unfilled vacancies, but we have quite a number of unfilled vacancies, and it is probably due to the fact that we have not the properly trained persons to fill those jobs. We hope that because of our incentive to the provinces, the provinces will undertake to train at an increased pace more and more workers in this country and this, too, will help a great deal to stimulate unemployment.

We have been interested in our winter works program in the home improvement field and it has been our thought that the chartered banks of this country would be interested enough to put forward their facilities and make them available to those who want to avail themselves of home improvements in order to help the situation during the coming months. We have taken this further step in this direction to increase domestic construction in the wintertime.

The government has been in communication with the chartered banks through my colleague the Minister of Finance and all the banks have undertaken to co-operate fully in a program of expanded home improvement and home extension construction during the coming winter. As hon. members know, under the National Housing Act the government guarantees bank loans for purposes of home improvement and home extension. It is hoped, Mr. Chairman, that with this announcement house builders across Canada will take advantage of this program this winter, providing an expanded volume of home construction and improvement in order to provide employment in the building trades during the winter months.

I mentioned earlier that at the request of the hon. member for Vancouver East for a full statement on automation I would be prepared to give it, but before doing so I wish to refer to *Hansard* of July 23 when the Prime Minister, in announcing the municipal winter works program, said in the last paragraph at page 6817:

> I should point out that in addition to this announcement the Minister of Labour has another announcement to make at this time,—

Which I did make.

> —and that further projects and plans to meet the unemployment situation will be announced in due course.

Now, as to automation: the Department of Labour, with the assistance and co-operation of management, labour and provincial training authorities, has been examining the employment effects of automation and other kinds of technological changes for several years. Research work began in 1956, and has continued since that time. In 1957 an advisory committee on technological change, with representatives from labour, management, government and the universities, was established to consider and discuss the work undertaken and planned. The findings of the studies conducted so far have been published as the work was completed. Reports have been issued for the electrical and electronics industry, the heavy machinery industry and the household appliance industry. A full report on the automobile and parts industry has been completed and is now being considered by members of the advisory committee on technological change before release.

Studies have been conducted of office automation as well as of technological changes in industry. A case study is being made of a large electronic data processing system recently installed in an insurance company office. A more general survey of all companies with medium and large size computers is now under way and will provide information on the extent, growth and manpower effects of electronic data processing equipment in Canadian offices.

There are a number of significant findings emerging from these studies. One of the most important concerns the effects of technological changes on skills. In the industries studied technological changes have been accompanied by a rise in the employment of engineers, technicians and skilled tradesmen, a decline in the employment of semi-skilled workers and a still more marked decline in the employment of unskilled workers.

Another effect has been a relative decrease in the number of direct production workers and an increase in non-production employment. One reason for this is that most of the semi-skilled and unskilled occupations so far affected by technological changes have been those involved in direct production tasks, while the resulting increasing need for skilled manpower has been in such areas as maintenance and tool room work which are non-production functions. Another reason is that new products, improved production methods, greater quality control and increasing research and development have all resulted in more technical specialists who are not directly involved in production.

Technological changes are not affecting all kinds of semi-skilled and unskilled workers to the same extent. They are resulting in a decreased need for semi-skilled machine operators. Automated transfer equipment and conveyor systems have replaced much

unskilled labour formerly employed in material handling jobs. On the other hand, assembly occupations which are usually semi-skilled have been affected to a much lesser extent.

Mechanization is having important effects on office employment, although not to the same extent on the various office occupations. It appears, for example, that middle level supervisory and senior clerical jobs are going to decline. In addition, much routine clerical work will be carried out by machines. On the other hand, evidence suggests that needs for secretaries, stenographers, typists and a growing variety of office machine operators will continue to expand.

Another important result of office automation is an increasing demand for employees to fill the new occupations that are coming into existence—systems analysts, programmers, computer operators and maintenance technicians. On the whole, these new occupations are more complex than the old clerical ones they are replacing and tend to require much more formal education than routine clerical work.

The studies carried out so far suggest that while little difficulty is usually encountered in retraining production workers for the jobs created by technological changes, problems have been encountered in retraining workers for the more skilled and technician jobs which are growing more rapidly. The main difficulty appears to be the insufficient formal education held by many semi-skilled workers today.

The extent to which automation and technological change result in employees being laid off varies a great deal from one industry to another. In growing industries such lay-offs rarely occur because the workers affected can usually be transferred to other jobs. In industries where employment is stable or declining, however, lay-offs do take place. In these cases the national employment service tries to find new jobs for those concerned and we are endeavouring to make available more facilities for the retraining of such unemployed. The extension of federal government assistance to the provincial authorities for training programs for the unemployed, announced just a few days ago, had this problem in mind. Our stay in school campaign is also important here because the more education one has the less are the chances of losing one's job or being unemployed for long because of technological change.

We are continuing this research work and will be publishing detailed reports on findings as studies are completed. Our work is discussed regularly with the advisory committee on technological change and general reviews of our findings and plans are made to the Canadian vocational training council and the national advisory committee on apprenticeship.

Mr. Martin (Essex East): Mr. Chairman, the minister has given us a general account of the work of his department. When we reach the details of his estimates there will be an opportunity to comment on the several items which he covered. I regret that in the statement he has just made he has not highlighted, as I propose to do, the most important single domestic problem in Canada, which is the continuing high level of unemployment in our country. I would have expected the minister to deal forthrightly with this problem, which he knows concerns all of us in this house as well as the people of Canada generally. He referred only at the end prior to his statement on automation, which did not really traverse new ground, to the four prongs of attack devised by the government to mitigate the severity of unemployment.

As I have said on other occasions, notably last Saturday, the government's announced program does not represent the vigorous approach to the solution of this problem which we have a right to expect. It certainly is not a program consistent with the assurances given by hon. gentlemen, when they confronted the Canadian people and indicated that plans which they would devise would remove the spectre of unemployment and the consequential suffering from that economic disease. We have therefore not had, in these the closing days of the session, any demonstration by the government that it has a program capable of resolving or mitigating this serious situation.

All through this session, we in the Liberal opposition have sought to bring home to the government, not with any success, our concern for this problem, and the fact that it requires vigorous action on the part of the government. The government's laissez-faire policy, and its relaxed attitude toward the problem are reflected in the kind of answers we have had to questions. We have had no less than seven questions put to the minister asking him when we might expect, for instance, a report from the interdepartmental committee set up for the purpose of establishing a new measurement for unemployment in our country. We have not yet, in spite of this interval of four and a half months, been given anything that would indicate what progress this interdepartmental committee is making. It may be that the committee has made a decision. It may be that the decision arrived at by the committee simply confirms

the pattern pursued in the past, namely a pattern of sampling a number of unemployed, only in the new formula increasing the number of people to be covered by the sampling process.

Then we have had the persistent refusal of the government to treat this House of Commons, composed of the elected representatives of the people, in a manner at least equal to that accorded by the spokeman for the government in the other place. We have asked for the right in this house to examine the problem of unemployment in all its aspects, to examine these proposals that might be embarked upon to relieve this situation, but no recognition of the right of this chamber has been accorded. This has occurred in the face of the fact that the industrial relations committee, set up for the purpose of organization, met only on that one occasion, and still has a motion before it on unemployment, put forward by the hon. member for Kenora-Rainy River designed to provide corrective action in unemployment.

There is still the refusal of the government to call a conference of labour, management and government to try and resolve this problem in accordance with the recommendations made by the Canadian Labour Congress, and indeed publicly supported in a speech made at Easter by the Minister of Labour when he spoke in the town of Gananoque. Today, following the conference between the federal and provincial governments, where unemployment undoubtedly was discussed—we certainly know from the statements of Mr. Lesage and other provincial premiers that they initiated such a discussion—we have not had from either the Prime Minister or the Minister of Labour any report whatsoever as to the conclusions reached at that conference or as to the nature of the discussions. Yet the Prime Minister, disagreeing with the Minister of Labour the other day, said that the provinces had a responsibility in connection with this matter. Notwithstanding this we reminded the Prime Minister, at that time, that he was repudiating the declared position of the Minister of Labour, who said that this was a federal responsibility.

Mr. Starr: I am afraid I have to rise on a question of privilege if the hon. member is again trying to distort statements in this house. I made my position abundantly clear, as it has been in the past, on shared responsibility. In the first instance, I have stressed the fact that the federal government does not wish to shirk its part of the responsibility, but there is a responsibility lying with other bodies. I have said that time and time again, and what the hon. member wishes to convey now is not so.

Mr. Martin (Essex East): I have no objection to the Minister of Labour rising and seeking to correct me. I think in debate it is desirable, that he should do so. I can only point out to you, sir, that the time at my disposal is limited. I have no objection to it but I hope he will remember—

Mr. Chevrier: He has no right to do it, either.

Mr. Martin (Essex East): I have no objection to the minister doing it, because I want now to deal with the correction he has made. I say that the statement the minister has made now, consistent with the statement of the Prime Minister, is not consistent with the position he took as a private member and later as a member of the government. I now propose to establish that fact. On June 29, 1960, the Prime Minister said as reported at page 5535 of *Hansard*, inter alia:

> The Minister of Labour can speak for himself in that regard, but I am glad to have support for the stand taken by the Minister of Labour in the position taken by the new premier-designate of Quebec, who throughout the campaign, made it absolutely clear that the responsibility for unemployment rested on the provincial administration.
>
> Mr. Pearson: Would the Prime Minister not give some members of the house who did not hear him the opportunity of hearing him confirm the statement he has just made, that the federal government has no responsibility for unemployment?
>
> Mr. Diefenbaker: I said no such thing.
>
> Mr. Starr: Since my name has been brought into this discussion may I say that, on several occasions, I have said on behalf of the government that we have a responsibility in the matter of unemployment. We do not shirk it. But at the same time I have said, time and time again, that in order to carry out the responsibility and in order to solve the problem of unemployment co-operation is needed from provincial, municipal and, yes, even labour bodies and other interested organizations in this country.

Mr. Brunsden: Do you agree with that?

Mr. Martin (Essex East): Wait until you have heard the whole story. This was a statement made by the Prime Minister on June 29, 1960. Now, the Minister of Labour spoke in this house on March 3, 1960, and here is what he said as reported on page 1699 of *Hansard*:

> The government as a whole—I have said this on previous occasions and I repeat it—has assumed the responsibility for unemployment. We have said that right from the start, and this is possibly the only time that a federal government in this country within recent years has accepted that responsibility.

Mr. Starr: On a shared basis.

Mr. Martin (Essex East): My hon. friend did not say on a shared basis. I have other

statements that the minister made, and I suggest my hon. friend should not destroy the credibility of his own witness. The fact is my hon. friend, in a statement on March 3, did make a statement that was consistent with the earlier statement that this government, attempting to solve unemployment, was not going to look to another level of government to assist; it was going to solve the problem of unemployment itself. That was the statement made by the Minister of Labour. It was in direct contradiction to the statement made by the head of the government.

I do not deny that Mr. Lesage, recognizing the failure of this government to do anything about unemployment in a fundamental way, has not hesitated as the premier of a province to recognize that he must in the face of this situation seek to do something. I commend him for that kind of initiative. However, I am dealing now with the policy of this government. Here is what the Minister of Labour said as a private member of this house, and it is consistent with his second last reported statement. He said on March 3, 1955, at pages 1693, 1694 and 1695 that unemployment had reached a dangerous and alarming figure. Then he said:

> It is not a situation which can be brushed aside nor can the problem be shifted to another level of government. It is a problem which only the senior government of this country can tackle effectively providing they feel, as they should, that the responsibility is theirs.

Then further on he said:

> The important thing at the present time is to place the blame and the responsibility for unemployment on the proper government. Delegation after delegation is becoming fed up with the shirking of responsibility on the part of this government. We must place the responsibility with the federal government where it belongs.

Is that statement of March 3 the policy of the government or is it the revised statement the minister has given today, supported on June 29 by the Prime Minister? Is that the way in which this government is now seeking to escape its responsibilities, now that Liberal governments have come into office in two of our provinces, and there will be more?

An hon. Member: Where?

Mr. Martin (Essex East): Is that the situation? I ask the Minister of Labour not to hesitate to maintain the position he has taken that this was a responsibility of the federal government and one which he did not propose to shirk.

The problem facing us in Canada is a serious one. Unemployment now persists on an increasing scale since hon. gentlemen came into office. The situation month by month reflects the justification for the statement I have made. Here we are on the 28th of July, when on the basis of past experience there should be such an improvement as to indicate that the problem at best is temporary. From the last available figures given to us by the minister and by the Minister of Trade and Commerce—that is the figures on the basis of the bureau of statistics, the lowest figures—on June 18 there were 300,000 people out of jobs and seeking work. That was in June of this year. That means that 4.6 per cent of the labour force in Canada was unemployed.

How does that compare with countries with a like economy? From the minister's own publications we know that in May of this year in the federal German republic out of a population of over 50 million people, with a working force of 30 million, there were only 135,000 unemployed or 0.8 per cent of the German labour force; that in Sweden 2 per cent of the labour force was unemployed; that in Britain, with a labour force of 23 million, 2 per cent of that country's labour force was unemployed. That is a situation that should agitate the minister as nothing else should agitate him. We know that for the first time in May of this year unemployment was higher than it was in the same period in 1958, and that was a post-war record. To attack the unemployment problem, as the government is doing as if it were merely a question of having more of the year's work done in the wintertime is to indicate a profound lack of knowledge of this problem on the part of the government. We still have distressed or depressed areas such as Sydney, St. John's, Quebec, Levis, Windsor, Winnipeg and Vancouver.

Mr. MacInnis: Did the hon. member say Sydney?

Mr. Martin (Essex East): Yes; Sydney.

Mr. MacInnis: Sydney where?

Mr. Martin (Essex East): Sydney, Nova Scotia.

Mr. MacInnis: The hon. member had better take another look.

Mr. Martin (Essex East): The hon. member for Cape Breton South had better look at the publications put out by the Department of Labour and he will see that is a distressed area.

Not only have we that situation, but we have regional pockets of structural unemployment showing that the problem is more than only seasonal in its character. I have given you minimum figures, Mr. Chairman, but these do not tell the whole story. One form of

unemployment which we have in this country and which the government overlooks is underemployment. The figures that my hon. friend quotes do not touch that matter. They refer only to people who are working for more than 33 hours a week. What are the facts taken from my hon. friend's own publications? We know that in June, 1958, 669,000 people were employed for less than 33 hours a week and in the month of June, 1960, 730,000 people worked less than 33 hours a week. In other words, 10 per cent more people worked short time. That is part of this problem of unemployment.

From the claims for unemployment insurance benefits we know how serious the problem is. We know that on June 30 last claims for unemployment insurance benefits were made in the number of 296,400. This is a rise of 35 per cent over last year's figure. More than 75 per cent of this increase was accounted for by males, normally regarded as a primary earning unit of the family. These claims rose by 25 per cent in Quebec to 91,800. In Ontario as of June 30, 1959 there were 77,600 claims; as of the same day in the same month of this year in that province there were 111,100 claims, or an increase in the province of Ontario of 43 per cent. There was nearly a 50 per cent rise in the number of claimants in British Columbia, from 23,000 to 33,000. Need one spend any more time in indicating how serious this problem is?

The minister mentioned the problem of older workers. That is a problem, it is true, but there is also the problem of the young, the problem of the youth of this nation. Of the expected 780,000 increase in the Canadian labour force during the next five years it is estimated that 300,000 will be in the age category under 25. During the first six months of this year there were on an average 580,000 who were from 14 years to 19 years of age. Of this number approximately 496,000 held jobs. This means that 89,000 were without jobs during the first half of 1960; that is nearly 14.5 per cent of this age group in the labour force or double the rate of unemployment in the total labour force, as 7.5 per cent of the total labour force was without jobs for the first six months of 1960.

How does the government propose to resolve this problem? The minister told us or made an announcement the other day about an acceleration in vocational training. He did not refer to the speeches made two years ago by the hon. member for Trinity, the Leader of the Opposition and others who two years ago urged that this very thing be done. He has made no mention of the complaints of the advisory council last fall. He made no mention whatsoever of the statements made by the chairman of the unemployment insurance commission last year, namely that only one in ten was trained and that something must be done about the problem. Nevertheless the minister seeks to resolve this problem by the winter works program, a program which, when we had close to 700,000 people out of work, was able to provide jobs in the amount of some 55,000, assuming, of course, that that program was responsible for providing those jobs. Surely the minister does not think that that program represents an effort that would satisfy the Canadian people that this government is seriously tackling this problem?

The Prime Minister announced some modification of that program. He said the federal government would pay 50 per cent of the wages on municipal buildings. But that modification does not represent the demands and the requests of the Canadian federation of mayors and municipalities. All one needs to do is to look at their brief in order to see their recommendations and to decide whether they are consistent with the minister's statement today that these demands have been met.

If the Prime Minister wanted to give some substance to that program he might have included underground parking garages. He might have mentioned a policy that would guarantee municipal debentures issued in order to raise the municipalities' share of costs for after all the municipalities, many of them in the very areas in which unemployment is greatest, are not able to meet their share of the cost of this program.

Then the government, through the Minister of Public Works two weeks ago, after the prodding of the hon. member for Nipissing, announced that it was going to increase its housing loans in order to meet the problem of unemployment. All I want now to say about that matter is this. No one denies that construction is an important constituent in unemployment. The Minister of Public Works, in the announcement of that program, said that one of the expressed purposes of that program was to create jobs in the wintertime. Since this government is responsible for the low level of starts so far this summer, what they are in effect doing is replacing unemployment in the winter with unemployment in summer. That is the consequence of this program. Instead of embarking upon a real program and instead of taking those steps which were recommended by the Leader of the Opposition and by practically every member in this house who spoke, and which were finally summarized

by the hon. member for Laurier in 25 different suggestions, what did the Minister of Labour do? In the face of this serious problem, more serious in Canada than in any other country in the western world, the Minister of Labour said the problem would be solved by the winter works program, by training more unemployed workers along the lines mentioned by the minister in his announcement, and by the housing program.

What is that going to do for the people in these depressed areas? What is that going to do to provide employment in places like the city of Windsor? Why did the government not recognize at the beginning of this session, let alone the two earlier sessions, the desirability of treating this problem as a government responsibility, not as the responsibility of the Minister of Labour and of that department? Why did they not establish an organism within the government of Canada along the lines now proposed in the province of Quebec, along the lines which have been proposed in the United States, along the lines now proposed by the two candidates for the presidency of that country, and along the lines proposed by the Canadian federation of mayors and municipalities, when on May 11 they called upon the federal government to appoint an impartial board of inquiry or royal commission to investigate unemployment in Canada?

Here we are in the dying days of this session, and no further ahead so far as eliciting from this government a policy in keeping with the character of the problem, and certainly a program in keeping with the assurances which were given by the hon. gentlemen when they went before the Canadian people.

This problem this fall and this winter on every available index gives indication of being as severe, if not severer, than in the months which we have just traversed. What is the government doing to meet and to anticipate this situation? Parliament is going to conclude this session very shortly. Will the government call this parliament back into session in the fall to deal with this problem if it becomes serious? Can the government escape the responsibility of calling parliament together to meet the emergency if it should appear, as every indication now establishes? Or are we to prorogue, come back here next year, have a report from the government in the speech from the throne in two or three sentences, meanwhile allowing all these months to intervene, during which the problem of unemployment will stare us in the face as it has now for three years?

That is not what the people of Canada expect this government to do with regard to this matter. I am sure hon. gentlemen are aware that their prestige and their support in the country has very seriously dwindled. The Gallup polls indicate that, and the last Gallup poll was taken, by the way, before the elections in New Brunswick and in the province of Quebec.

An hon. Member: But after Nova Scotia.

Mr. Martin (Essex East): After Nova Scotia but before Quebec and New Brunswick, which is significant. I venture to suggest that because of the way the government has handled the problem of unemployment in particular the next Gallup poll, later to be published, will show that hon. gentlemen have lost still more support from the Canadian people.

I say that, because there is a growing dissatisfaction with the way in which this government is confronting this problem. We have had no estimate by the government of its plans, not only for next winter but we have had no projection at all for the foreseeable future. This government will have to try to provide in the sixties if it is still in office, and that I believe is a doubtful possibility, for another two million jobs if its promises and assurances are going to be kept. That will be a great task and if two million jobs are provided there will still be 200,000 people out of work.

Are we just to receive from the minister dodging answers, answers which do not in any way convey information? Are we to be again confronted with a refusal to allow this house to examine this problem on the ground that members are going to play politics with this problem? Is that a justification for the contemptuous way in which hon. gentlemen have treated the House of Commons with regard to this matter? We have not had anything from the minister today about the seriousness which will develop as the result of the state of the unemployment insurance fund.

The other day we were given by the minister the figures for four different years showing the extent to which that fund has been reduced, in itself a reflection of the level of unemployment in Canada. What is going to happen next year? Will there be enough money to take care of the unemployed of our country, who have contracted with their employers and with the state for sustenance and maintenance in the event of unemployment? That fund has reached a level way beyond $300 million, in spite of the fact that last year the hon. minister introduced amendments to the Unemployment Insurance Act, which provided for an increase in the contributions from 25 per cent to 55 per cent, higher without basically changing

the pattern of benefits. In spite of that $78 million by way of additional revenue we are to be confronted with a situation which should cause anyone concerned about that fund, based as it is upon contributions from the employers and the employees, to be greatly alarmed.

We have had nothing from the minister today about the actual losses in that fund, actual losses which were reported by the Minister of Finance when he advised us on May 31 that during the fiscal year 1959-60 the fund realized losses totalling $8.4 million, a further $1.5 million in losses realized in April and May of this year. The Minister of Labour did not tell us anything about the loss in the market value of the fund's securities on March 31 of this year, which was approximately $55 million less than their book value, only $5 million less than the book value loss of the fund during the fiscal year 1958-59. The government told us it made advances to the fund, but the Minister of Finance, when this question was put to him first denied it and then corrected himself the next day and said there were advances to the fund from April 1, 1960, to May 6, 1960 totalling $20 million.

I say to the minister, are we not entitled to have from him, and should we not have had it from him at the outset today, not a recital of the valuable and important work of the department, all of which could be given to us when we discuss the estimates in detail, but instead a statistical statement about the problem now? He has figures in his possession, which are later than those in the last release by the Department of Labour and the Department of Trade and Commerce. He should have talked about the problem not only of the old but of the young workers as well. He should have told us what are his prognostications for the next fiscal year. He could or should have told us what the government proposes to do about that problem.

I say to the minister, then, because the minister has not done these things, because he reflects in his statement a complete bankruptcy of policy on the part of this government, I believe he must recognize and be made to see in a friendly but nevertheless in a responsible and vigorous manner, what is the temper of this committee and what is the judgment of the Canadian people. If the minister says this problem is beyond the ability of any government to resolve, if he now takes the position that it is no longer an exclusive federal responsibility, if he takes the position that the assurances given to the Canadian people will no longer be satisfactory, he will win the support and the confidence of this committee to an immeasurable degree. But to sit there day after day and refuse to give satisfactory answers either on his own part or on the part of other members of the government, notably the Minister of Finance and the Prime Minister, is not discharging the functions of government in a manner such as the hon. gentleman stated in 1957 and 1958 this government would undertake to do. Every member sitting behind the ministers on the treasury benches who made similar claims in the elections shares the responsibility, along with the government, for not joining with the rest of us in bringing this problem home right where it belongs—right to the treasury benches.

Mr. Martin (Timmins): Once again I find I must follow my namesake and once again it seems to me that about the only thing the two of us have in common is our last names. The hon. member for Essex East has once more clearly stated to the committee that apparently, as far as the Liberals are concerned, their sole responsibility is to place the blame for unemployment on the shoulders of the government. I wonder what the hon. gentleman and his supporters would say if the Minister of Labour stood up and said: Yes, we are to blame, and we are to blame because we have done exactly what you people did in the same situation. What would the answer be then from the Liberal benches? This is exactly the same problem as that which the Liberals were unable to meet, and they were unable to meet it because they were incapable or unwilling of facing up to the nature of the problem and the steps necessary to deal with it. This is exactly the present government's failure. It is trying to use the same methods which were used by the Liberal governments of the past, and they have failed dismally. In fact, I would go one step further and say that this government has failed even to follow its own advice. For the last couple of years they have been asking Canadians, in an expensive advertising campaign, to "Do it now". But they have failed even to follow their own advice.

I should like to deal now with an aspect of this problem a little different from those which have been discussed so far, namely to consider some of the effects of the unemployment situation upon our economy. It seems that in this country we have become conditioned to the idea that we must have massive unemployment. It has come to be regarded as a normal state of affairs. In the main, unemployment has ceased to be news, and that seems so strange to me, because let there be a strike in any part of the country and it will fill the newspapers. Articles appear about the loss of man-hours, the loss of purchasing power and the way in which the economy of the country is being upset. We

completely ignore the fact that hundreds of thousands more man-hours are lost every day through unemployment than are lost through strikes during the course of the whole year. But that does not make news.

Another thing we forget when we talk about the cost of strikes and their effect on the economy is that the harm done to local trades people and others is offset by the funds which the strikers very often receive from their local or international union. I know whereof I speak, because in 1953 eight out of the 11 producing mines in the Timmins riding were idle through strikes, some of them lasting eight months or more. Not one business in that town failed during that period or in the year following, because the united steel workers of America spent over $2,500,000 during that strike. I have just been checking the home town news and I find that two businesses have gone under in the last month, just as a result of the slow down in our economy and the resulting unemployment. The people laid off in Elliot Lake coming into Timmins seeking work have been enough to tip the scale with regard to at least two businesses which have been operating for some time. As I say, we make big news headlines out of a comparatively small problem and tend to ignore much greater problems. When are we going to realize that unemployment has effects more serious on the public, on the workers, on the stores and on the whole community than any strike which ever took place in this country?

Little can be said in defence of strikes as such. I forget who said that democracy is the worst form of government in the world except any other, but I would say the same about strikes; they are about the worst possible way of settling a dispute. I wish strikes were unnecessary, and I feel that if both sides played the game they would be unnecessary. In this country we seem to have failed to realize that strikes have to be settled some time and the longer they go on the more disruption they cause. I often wonder why the parties concerned cannot sit down before a strike starts and possibly arrive at the same solution as they reach after perhaps months of idleness and frustration.

Why have we failed to face up to this problem of unemployment in Canada? I say it is because no serious attempt has ever been made to do so. We have always approached it with dribs and drabs and considered it in little pieces. We have never faced up to the fact that we have a serious problem on our hands, and I think the reason is very simple.

All we have ever had in this country are Liberal and Conservative governments and their basic philosophy is that as far as employment is concerned, it is the responsibility of production and industry, and government's should keep their noses out of it. That is the very basis of the principles that the two parties have preferred to believe in. I do not say that the members of the Conservative party or of the Liberal party want unemployment or like it. I think they are just as much opposed to it as I am, and I think many of them have tried very sincerely, within the limits of their philosophy, to find some solution. They take this worn out old tire and put patches on it here and there and finally they get to the stage where they are putting patches on patches, and still they have not found a cure; they still cannot get away from a flat tire. I think it is about time they realized that the best cure is to buy a new tire.

I should like hon. members to think back over the past 50 years and see whether they can find any time in our history, when for any reasonable length of time, where we have solved the problem of unemployment unless the government took a hand in it. The only time we have ever had full employment was when the federal government accepted the responsibility of having all-out production. During wartime we had full employment, full production and jobs for everyone. As soon as the war was over the government stepped out of the picture and free enterprise took over again. What did we have? We had the same thing as we had before the war started. How many times do we have to be taught this lesson before we realize it?

Unemployment is caused by three main problems. One we have always had with us. It is quite true that technical advances have been made in this field, but conditions are such in this country that Canada will always have some degree of seasonal unemployment. Because of climatic conditions in this country certain jobs cannot be done in certain months of the year. As I said, technical advances have been made. We have these new plastic covers which are used to cover buildings and keep the employees working in the winter where formerly they could not work at all. There have been various other technical advances which have assisted us to cut down on this problem to a certain extent, but certainly at least in the foreseeable future it is a problem that is always going to be with us.

A few attacks have been made on this particular problem with some considerable success. The first was the implementation of unemployment insurance. The basic principles of unemployment insurance were carried out at least when the system was started, but I am sorry I cannot say the same for it at the present time. The idea was that over a period of months when you worked

you paid a premium, the same as you paid for the insurance on your home, and then during those months when, because of climatic or change-over conditions, or something of that sort, you were unavoidably out of work, from this insurance policy that you had built up you received enough to keep yourself and your dependants going over that short period of time until you went back to work again. That was the basic principle of unemployment insurance.

Another way in which seasonal unemployment has been attacked successfully, although in a very limited way, is by the institution of the guaranteed annual wage. At one time it was very profitable for certain industries to work only six or eight months of the year. They closed down for the other six months or four months to re-tool, to do some repair work or something of that kind, and they did not care about the men who were laid off for those months; it was no responsibility of the company. Since it was more profitable to operate that way, that is the way it should be done. That is the way our free enterprise economy works.

Some trade unions have been strong enough to acquire across the bargaining table what is known as the guaranteed annual wage by which a company, in addition to the individual, accepts some responsibility for year around employment and year around pay cheque. I think it is a very good principle, Mr. Chairman, because surely with all the facilities, all the brains, ingenuity and ability at the disposal of the company, together with the individual, they can arrive at a much better solution than the individual can when he is left to his own devices. I believe, Mr. Chairman, that these two attacks made on this one cause of unemployment can go a long way toward solving that particular problem. Between the guaranteed annual wage and the unemployment insurance fund the problem of seasonal unemployment can, I think, be licked.

If that was the only problem we had it would not be too bad, but unfortunately it is only one of the three major problems we have. As time goes on we find that we have two other major ones as well. The second one is that of automation. Machines are taking over jobs formerly done by 20, 50 or 100 men. There are only two possible solutions to this particular problem. There is a bad solution and a good solution. The bad solution is not to use the machines. We all remember the make work programs we used to have, where a man would pick up a stone here and take it over there and then another man would bring it back again. We had work but we did not accomplish very much. That is the way it would be if we attempted to hold back the scientific progress that automation is bringing about in our society. But we have to realize that if automation is to bring progress, if it is to benefit mankind, then we have also to take into consideration the problems that automation creates.

That is something that we have not been doing. We have made little dabs here and there. I was very pleased to hear the minister tell us the other day in his announcement to the house that they were increasing the federal contribution to 50 per cent to the provinces which went ahead with some kind of technical training scheme which would retrain workers so that they could fit back into society again. I think that is a very good step and in the right direction, but we have to take a great many steps before we reach our goal sometimes. That is the situation in which we find ourselves today, or else we would not have 300,000, 400,000, 500,000, 600,000, 700,000, 800,000 unemployed every year.

The third major problem of unemployment involves two different fields. I do not know of any better example than the position of the coal mining industry and the uranium mining industry in this country. The end result of both is the same: the eventual shutdown of the industry and a complete shutdown of the employment provided by the industry to many men who have spent their lives in the industry. The uranium industry was much more dramatic because it was much quicker. What took 50 years to happen in the coal mining industry happened in five years in the uranium industry. It was drawn to our attention much more quickly, much more dramatically; it was much more newsworthy, but the end result is the same. Whether it is a uranium miner in Elliot Lake or a coal miner in Alberta, both of them find themselves in exactly the same position. Here again the only solution certainly that we can offer is similar to the one suggested to meet the problems caused by automation.

I say that this problem must be tackled and tackled vigorously because it is not being cured but rather is increasing very rapidly all the time. It is true that bad as things were last winter they were still not quite as bad as they were in 1938 when a Liberal government had been in office for some three years. At that time unemployment reached the highest peak in the history of this country. But if we are to believe the economists, who are almost unanimous in their predictions, unfortunately next winter is going to set a new record in this field.

I was also pleased that after considerable prodding from opposition members, and

I assume and hope from government members as well, the Minister of Public Works announced the other day that as of the beginning of September they are taking the lid off the housing fund. I am glad to see that he is finally following the example of the previous minister who in my opinion almost single-handedly, so far as government action was concerned, was able to turn the tide of recession in 1957. I think that the building program embarked upon by the minister at that time did more than anything else done by this government to prevent what could have been a very much worse recession.

These problems and other related problems are certainly the responsibility of the federal government because they are the only group in the country with the resources at their disposal to meet such problems. Over the past number of years we have had examples of how formerly the Liberal government and now the Conservative government have tried to meet the problems of unemployment. The difficulty has been that they have applied the only remedy they have, unemployment insurance, in an effort to try to cover the waterfront and the result has been disastrous. Unemployment insurance was never designed to cope with the problem raised by automation. It was never designed to meet the problem of closed industries. The result has been twofold. In the first place, in the last three years the fund has been reduced from something over $900 million to approximately $200 million, as I believe I heard the other day, in spite of a substantial increase in premiums.

Mr. Pickersgill: It is $290 million.

Mr. Martin (Timmins): But there is something far more serious which is going to be much harder to cure. While the government has been doing this, while they have been adding weeks to the period of payment of unemployment insurance benefits, they have been building up in the country the old political gimmick involving the idea of something for nothing so that today we are receiving letters from people who say that they have paid into the unemployment insurance fund for ten years and they should get a dividend from it. I have such letters in my office that I can show hon. members, as I am sure many other hon. members have. The people have no idea what the principle of unemployment insurance is at all. They look upon it as something they get from the government not realizing that they are the ones who have paid for it in the first place and the purpose for which they made their payments. I cannot blame people for doing this because certainly there is no insurance principle today in the unemployment insurance fund. All it is today is a sort of glorified welfare fund and everybody in the country from coast to coast is trying to climb on the bandwagon.

There is another very dangerous trend developing in the country, a trend that takes us back to the last time a Conservative government was in power. I refer to the tendency of government members more and more to try to create the impression that the only people who are not working today are those who do not want to work. Many of us can remember all the so-called bums who were wandering across the country from coast to coast in the thirties. I was one of them.

Mr. Thrasher: Not bums.

Mr. Martin (Timmins): I know a number of other hon. members who were in the same boat. They were not able to get work in the places where they were born and because they sought employment elsewhere throughout the country they were chased from town to town by municipal police officers for the sole purpose of getting them out of there before they became a charge on the community and had to be fed, clothed and housed by the community. What happened to all these bums during the forties and fifties? Where did they go?

Mr. MacInnis: Apparently the hon. member thinks there are a few of us here.

Mr. Martin (Timmins): Very true. Many of them joined the armed forces. Many of them shed their blood for the country, came out of the armed forces, went to work and worked for 15 years, but now things have run their full cycle. I have talked to men who rode the rods during the thirties seeking work from coast to coast and who now find themselves in the same position.

An hon. Member: They do not ride the rods today.

Mr. Martin (Timmins): No, they do not ride the rods today. We have progressed a little since that time. We have passed social measures so that people do not have to starve today. They can always get enough to keep body and soul together provided they stay in their own community. Possibly that is one of the reasons we have not realized that the situation is almost as bad, if not just as bad, as it was during the thirties. In those days you could starve to death in your home town but today you can always go to the municipal welfare office provided you can establish residence and that you have lived in the community for a year. It may be that in some cases the fact that a man has to

remain in the community prevents him from going elsewhere to seek work. Because of this restriction, the social measures we have passed possibly are adding in a small way to the problems today.

We see the same situation raising its ugly head again. Although I hope this is not so, I am afraid that the spreading of the idea that the only people who are out of work are those who do not want to work will increase as time goes on. I have heard hon. members refer to various jobs being available and have seen them produce advertisements to prove it, but what we do not realize is that many of the men who have been thrown out of work are not qualified for the jobs that are available. Furthermore, many of them have the responsibility of a family so that they cannot afford the length of time it would require to take the necessary training in a technical school in order to qualify for these jobs.

That is why I was pleased to see the government take one more little step in the right direction but I think they should take a much bigger step because in view of the facilities the government has at its disposal, whereby it is able to ascertain in the first place what jobs are available and where the surplus of manpower is, the government, if it has the will and desire, should be able to do much more about the problem.

I should like to refer to what happened just after the last war. We had over a million men in uniform, many of whom had never worked a day in their lives as civilians. They had either been out of work from the time they left school until they joined the forces or they joined the forces directly on leaving school. What did we do? We made training available to these men so they would be better qualified to fit into society again. If they were married and had families we made sure that they had enough to keep their families going while they accepted this training, whether it was university, technical or whatever training they took. I would say, Mr. Chairman, that was one of the best things we ever did because we not only helped those individuals but, as a result of this training, they were better qualified when they went back into society and they were more of an asset to this country.

I would say this was the method by which we should approach the unemployment problem today. All we have had in the past from governments in relation to this problem has been a little dab here, a little dab there and a little dab some place else. It has been something like feeding a headache pill to someone suffering from a brain tumour. Sure, the headache is stopped for a while, but we do not cure the condition; we just postpone the inevitable. That is exactly what we have been doing in regard to unemployment over the years.

I believe it is a fair thing to say, Mr. Chairman, that during the past two years we have never had less than one quarter of a million unemployed. We have had as high as three quarters of a million. As I mentioned before, economists have been predicting that the unemployed could amount to over a million this year. I cannot see any sense in a society which since the war has spent $20 billion on obsolete defence to defeat communism, yet still permits a million unemployed in this country which breeds communism. If the communists ever get a start in this country it will be because of unemployment, and not because they came in from the outside. I should like to back up that statement by asking when communism was at its strongest point in this country? It was back during the thirties and early forties.

The Deputy Chairman: I am sorry to interrupt the hon. member, but I must advise him that his time has expired.

Mr. Martin (Timmins): I have very little more to add, Mr. Chairman.

Mr. Starr: We would be agreeable to allowing the hon. member to complete his remarks.

The Deputy Chairman: Does the committee give unanimous consent to permitting the hon. member to complete his remarks?

Some hon. Members: Agreed.

Mr. Martin (Timmins): I mentioned the other day, Mr. Chairman, that the millionnaires have proven they are not socially responsible but rather that they are socially rapacious. I say that this government has a responsibility to all the citizens of this country to ensure that the actions they take are going to be in the interests of all the people of this country and not just in the interests of a few selfish individuals.

(Translation):

Mr. Allard: Mr. Chairman, I should like to draw the attention of the Minister of Labour (Mr. Starr) to a couple of facts, one of local character and another national in scope.

On the local level, I vigorously protest the new delay on the part of the unemployment insurance commission in dealing with the dispute between 369 workers of the Dominion Textile of Sherbrooke and the

commission. I shall read a statement published on July 8 last by the workers union of the Dominion Textile of Sherbrooke:

The employees of the Dominion Textile in Sherbrooke heard to their great surprise and dismay that consideration in respect of the right to unemployment insurance benefits of the 369 employees who were dismissed on November 6, 1959, will only be taken up three weeks from now by the arbitration board in Sherbrooke.

Considering that annual leave for workers in that company is to be taken in the last two weeks of July, it is rather difficult to expect the hearing before that board to take place before early in August.

Considering that the case of those 369 employees has been up for hearing since early November 1959, it is high time that public opinion be aroused and informed of the policy and attitude of some officials in the unemployment insurance commission with regard to the claimants who have been unemployed for the greater part of last winter without receiving any benefits (from November 6, 1959 to February 27, 1960), and who are still waiting for a final decision to be rendered by which they would be declared eligible for unemployment insurance benefits.

Having been laid off on November 6, 1959 by the Dominion Textile plant in Sherbrooke, those 369 employees went to the unemployment insurance office, during the following week, to fill out their claim forms. On November 19, they were disqualified by the local unemployment insurance official.

The union representing those employees lodged an appeal with the arbitration board in Sherbrooke (of which Mr. Antonio Pinard is chairman). The arbitration board having considered the whole case with much attention and having rendered on December 21, 1959, a unanimous decision which was, in every respect, favourable to the employees concerned, the said local official appealed that unanimous decision before the single arbitrator in Ottawa on January 6, 1960. The arbitrator's hearing was held in Montreal on March 16, and his decision rendered on May 27, 1960.

During the hearing, the attorney of the commission submitted copies of newspapers, claiming this constituted new evidence. All actions or representations by the representative of commission employees only had the effect of beclouding the issue and confusing the arbitrator.

As a result the said arbitrator referred the new evidence to the local board of arbitration for consideration, so that a new hearing might be held on the matter in dispute and a decision rendered on the point at issue before the single arbitrator made a final ruling on the whole matter.

The Sherbrooke board of arbitration has been ready to hear this case since early June, but has been unable to sit because it is still waiting for the file on the investigation conducted by the regional officer, which is not yet ready after over two months' delay.

In view of such useless delays and abusive procedures on the part of certain representatives of the unemployment insurance commission, the executive of the Association des Employes du Textile de Sherbrooke Inc., on behalf of its members, strongly and publicly protests the inconceivable attitude of some officials who seem to be resorting to a method that can only be used by a public authority or by a party without financial responsibility for the costs of a case, and with little regard for the hardship sustained by employees who have been laid off and have been waiting to receive their benefits for over eight (8) long months. The employees are not asking for charity, they are merely demanding their rights, which should be enjoyed by anyone insured under the Unemployment Insurance Act.

Mr. Chairman, may I call it six o'clock?

(Text):

Mr. Pickersgill: Would the hon. member permit a question? I wonder if the hon. gentleman would be kind enough to speak a little more slowly?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Allard: Mr. Chairman, before the six o'clock recess, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked me to speak more slowly. It gives me pleasure to meet his request, but I must say I am surprised at his interest in the textile workers in view of the fact that as a member of the last Liberal federal cabinet he was among those largely responsible for sabotaging that Canadian industry.

Having read the statement of the workers union of Dominion Textile in Sherbrooke, I wish to say to the Minister of Labour (Mr. Starr) that I fully support the statement.

I urge him to intervene immediately, in order that an early solution be found to this difficult problem for the benefit of the workers concerned.

The second aspect of my remarks concerns the unemployment in the textile industry and the numerous difficulties this Canadian industry has to face on the domestic market.

Some 20 years ago, Canadian textile products were supplying about 75 per cent of the Canadian market. Today, they barely supply 44 per cent of the national market.

The major cause of this situation is the quantity of foreign textiles flooding the Canadian market.

In 1959, United States mills sold in Canada 6 million more yards of cotton than did Canadian mills.

Besides, in that same year, 1959, Japanese textile exports increased by 56 per cent.

The situation last year was becoming so alarming that the Minister of Finance (Mr. Fleming) made protests to the Japanese who agreed to voluntarily reduce their quotas in 1960. They were supposed to make their views known to us in December 1959, but they postponed their decision until early May, 1960.

However, in spite of our warnings, Japan continues to flood the Canadian market and its quotas, according to Mr. Laz Peters, chairman of the Canadian textile manufacturers association, are still excessive.

On the other hand, Mr. Chairman, a few months ago, when he visited Washington, the Minister of Finance asked the U.S. government to suspend subsidies on U.S. exports of textiles into Canada. The answer he got was a flat no.

Therefore, in the face of the U.S. government's categorical refusal, and of the Japanese government's tacit refusal, followed by a continued flooding of the Canadian market, it has become necessary for the Canadian government, after observing amenities at the international level, such as representations which I mentioned a moment ago, to fix its own quotas with regard to the most vulnerable sections of the textile industry.

It goes without saying that the present government, since it came into office has done a great deal in its attempt to settle this difficult problem of textile products that we have inherited from the previous Liberal administration.

Allow me to summarize under 12 headings the efforts made by this government in this field.

1. In 1957, a request for inquiry and recommendations to the tariff board concerning tariff duties on textile products;

2. In 1958, the present government raised the British preferential tariff on woollens and carded wool under tariff item 554b;

3. In 1959, the government raised the most favoured nation tariff with regard to section 554b, in order to restore the British preferential margin;

4. In 1958, the government considerably amended the definition of the word "dumping" in the act;

5. Additional assessors were appointed and instructions were given to request more detailed invoices, accompanied by samples;

6. Certain measures are taken with regard to particular groups of commodities on receipt of recommendations from the tariff board, while due consideration is given to the overall pattern of our international agreements;

7. Negotiations were started in Geneva during the 1959 GATT session, with regard to a number of textile products;

Mr. Pickersgill: You are speaking too fast.

[Mr. Allard.]

Mr. Allard:

8. Official authorization was obtained to pursue negotiations with regard to consolidated textile items under instructions No. 125 to the tariff board;
Japanese textiles.

10. Following the budget speech of the Minister of Finance, on March 31, 1960, and following the four budgetary resolutions, a tariff increase of about 15 per cent was imposed on many foreign textile products.

11. On May 5, we received information about Japanese quotas for the year 1960.

12. In 1960, the Minister of Finance asked the American government to cut down subsidies on textile products exports to Canada.

Those are, Mr. Chairman, serious steps which make one understand the efforts and the spirit shown by this government to settle the unemployment problem in the field of textile products. And as I said at the beginning of my remarks in the face of events which happened recently, namely the refusals of the American and Japanese governments, I humbly think that it now becomes necessary, in order to relieve unemployment in the textile industry, for the Canadian government to establish quotas in the most vulnerable sectors of that important field of our secondary industries.

This is the recourse which is left to us in order to reduce unemployment in this area and allow our Canadian industries to recover a larger share of our domestic market.

Mr. Caron: Mr. Chairman, every time the estimates of the Minister of Labour come up, we are reminded of this famous statement made by the Prime Minister (Mr. Diefenbaker) in an election campaign:

(Text):

As long as I am Prime Minister no man or woman is going to suffer from employment, as long as public works will provide them with the assistance they require.

(Translation):

That was a long time ago, yet unemployment is still a very important factor in Canada's economy.

During the first year and for a good part of the second year, the people of Canada were perhaps inclined to side with the Prime Minister, who stated that the Liberal party had not laid the ground work in anticipation of a depression.

I thank my hon. friends for this applause.

However, the Conservative party has now been in office for three years, and the excuse used in former years is no longer valid. Our friends have now had time to review

the situation and to apply corrective measures. That, however, would have required appropriate steps, which they failed to take.

I feel sorry for the minister because he is a nice chap, who has acquired much experience.

Some hon. Members: Hear, hear.

Mr. Caron: Again, I thank you—who, as I say, has acquired much experience in the field of labour and I know he means well.

Some hon. Members: Hear, hear.

Mr. Caron: Thank you.

But, his position is unstable, and I am convinced that he does not enjoy the co-operation that he is entitled to expect from his colleagues.

And to support this, I will refer only to what appears on pages 1406 and 1407 of the English *Hansard* of February 24, when, following a certain discussion with the hon. member for Essex East (Mr. Martin), he said:

(Text):

I must say at once that, in my opinion, no unemployment has ever been solved in this country through conferences.

(Translation):

The hon. member for Quebec East—I am sorry, the hon. member for Essex East—

An hon. Member: He is mixed up.

Mr. Caron: —urged the ministers to call a conference of trade unions and labour of the provinces in order to try to find a solution to the situation. This is, in fact, what he said:

(Text):

That is what the hon. minister recommended himself; a dominion-provincial conference and a parliamentary committee.

(Translation):

And the minister replied: "I did."

I am surprised by the statement of the hon. member for Essex East who replied: "Your party, and you supported it". And the minister replied:

(Text):

—I speak for myself in this regard. What has been said by others in the past is their own responsibility.

(Translation):

Therefore, he could not take the responsibility for the statements of others, and this proves beyond any doubt that he did not have within the cabinet the full co-operation he might have expected. I know that he would like to accomplish great things, but he is misunderstood.

All the same, as Minister of Labour he has to take responsibility for government action in the field of labour.

At present, unemployment stands at a dangerous level for this time of year. We can expect an extremely serious situation when the cold season comes around.

To prove my case, I shall refer to a D.B.S. bulletin released on July 26, 1960, this very week. That bulletin reads in part as follows:

Unemployment insurance applicants reached 296,400 on June 30. This is 35 per cent more than the 220,500 registered applicants on June 30, 1959.

A 35 per cent increase. And farther on, the bulletin reads:

More than 75 per cent of the increase over last year applies to male workers, and 70 per cent of them were in Ontario and Quebec.

The two leading provinces are the ones most affected, and are turning to the other provinces for assistance in finding an answer to that problem. And yet nothing comes from Ottawa.

And further down, in the same D.B.S. daily bulletin, we read the following:

Unemployment payments reached $26,800,000 in June—and $18,200,000 in June 1959.

A substantial difference.

The increase in payments over last year (48 per cent) is much higher than the increase in claims at the end of the month (35 per cent) and the extension of benefits over a few additional weeks (39 per cent).

The figures are as follows: In Canada 296,400; and last year, during the same month, that is on June 30: 220,500. And what about the original and renewed claims in Canada: 128,500; and, last year, in 1959, 107,100?

That is to say, Mr. Chairman, that the situation we have to face at this time is extremely serious. However, the government does not seem to be overly worried about it.

The minister spoke about some changes, some improvements which had been brought about. But he did not seem alarmed, and appears to take things with a disconcerting ease. As in the song: "Everything is just fine, madame l'électrice". Our chief cause of concern—

Mr. Asselin: That is Mr. Lesage's way of doing things.

An hon. Member: He has been elected, has he not?

Mr. Ricard: By default.

Mr. Asselin: We are anxious to see what he will do.

Mr. Caron: Very well, sir, I shall have the opportunity of referring to that, of deal-

ing with those matters a little later, if you will be just a little patient.

Mr. Brassard (Chicoutimi): We are very patient.

Mr. Caron: Our chief cause of concern is the optimism of the minister who does not seem to realize the seriousness of the situation.

Yet, in business circles, even the most optimistic have to admit that, unfortunately, the way things are going at present, we will probably have over 800,000 unemployed next winter. Others maintain that there will be over a million.

Is Canada able to afford the luxury of such unemployment next winter?

Those conditions exist and are getting worse from year to year, since this government took over in Ottawa. Everybody is worried, except the government. How can responsible people consider the situation with such complacency and without appearing in the least alarmed? Unless they be consummate actors, I am unable to understand that their faces should not reflect any worry at this time.

(Text):

Mr. Speakman: Would the hon. member permit a question? Does he seriously believe what he has just said, that the government is not concerned about this situation?

Mr. Caron: I said they should be concerned, but what surprised me was this—they must be good actors because it does not show on their faces.

(Translation):

In any case, at present, hundreds of thousands of our fellow citizens are not earning enough to pay their unemployment insurance contributions, which would entitle them to benefits next winter. The situation is thus rendered alarming because, once again, the burden will fall on the municipalities and provincial governments. At the present time, as the public welfare officer told me last week in Hull, the number of welfare applications is increasing substantially in this period of the year when, normally, it tends to decline. This is not calculated to hearten those who dare think ahead for next winter; and our provincial governments will have to bear a responsibility that the present Prime Minister of Canada did not attribute to them in 1955, because I remember that the present Prime Minister then said, as recorded on page 2036 of *Hansard* for March 15, 1955:

"Over the past seven or eight years there have been recommendations by the national employment commission, the Sirois commission and others, that the dominion should assume responsibility for necessary relief to the employable unemployed. It has been generally suggested that the dominion should accept this obligation as part of any general settlement with the provinces."

That, at the time, was the attitude of the present Prime Minister; he asserted that the main responsibility with respect to the employable unemployed rested squarely on the shoulders of the federal government, which could, of course, call for the co-operation of the provinces in that field. However, he emphasized the fact that the main burden rested on the federal government. The tune seems rather different today.

Mr. Pigeon: What does Mr. Lesage have to say on the subject?

Mr. Rouleau: Mr. Lesage has no need for the advice of the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Ricard: Would the hon. member allow me a question?

Mr. Caron: Certainly, I am in a good mood at the moment.

Mr. Ricard: Does the hon. member know that in the years 1951 to 1957, 23 textile mills were forced to close down in the province of Quebec, according to the Primary Textiles Institute?

Mr. Martin (Essex East): That was not a federal government responsibility.

An hon. Member: Was it the responsibility of Mr. Lesage?

Mr. Caron: I recognize that that may be true, I am no expert in the field of textiles; there is no textile industry in this area, and I have not studied the subject. Moreover, in view of the fact that the hon. member has been reading from a report which seems to be genuine, I accept it as I accept his word. I would add, however, that if previous governments did certain things that should have been corrected, that does not absolve the present government from taking its full responsibilities. That, as I say, is my present position, and I can assure the hon. member—

Mr. Ricard: And that of the previous government.

(Text):

The Deputy Chairman: Order.

(Translation):

Mr. Caron: I will say to the hon. member that I try to live in the present, not in the past. I try to look to the future, because, being of a Liberal frame of mind, I cannot live in the past as do the Conservatives.

So far, what action has been taken in that field, Mr. Chairman? Oh, the government has made a few changes, on the recommendation of the opposition with regard to Central Mortgage and Housing Corporation. As announced the other day by the Prime Minister, there have been a few changes to the winter works program, but that is all.

Are those formulas a remedy to the present illness? They might be of some help, I admit. All we can do might help, and we are glad they are trying to do something, but the problem is too much—

Some hon. Members: Hear, hear.

Mr. Caron: Once again, thank you for the applause. But the problem requires very much more than those small remedies. We must look much farther; besides, this is not what our hon. friends opposite were saying or thinking at the time they sat in the opposition. In fact, I would like to indicate with the help of *Hansard*, what the hon. Minister of Finance (Mr. Fleming) said in 1955 as found at page 2261 of *Hansard*:

> In the midst of abundance, in the midst of surpluses, in the midst of evidences of prosperity this ugly fact of unemployment continues.

Well, Mr. Chairman, this ugly fact of unemployment continues. While government members talk about prosperity, that ugly fact of unemployment not only continues but grows worse. And there are those who claim that the government which had promised to right all wrongs, to improve everything, to change everything, is doing what it should do under the circumstances.

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

Mr. Caron: I accept questions from certain members, but I know the others, and I do not accept anything from them.

An hon. Member: Write to Mr. Antonio Barrette.

Mr. Pigeon: You cannot answer.

Mr. Caron: Mr. Chairman, I feel I am entitled to be a bit contemptuous.

An hon. Member: Of you?

Mr. Caron: Then I find at page 3396 of *Hansard* of May 3, 1955 what the present Minister of Finance said when he sat on this side of the house:

> The second problem which has been ignored by the government is the problem of unemployment. This problem has been discussed at length in this session—

He said:

> —or I would seek to go into it at greater length today. But let me content myself, in this limited time, with making this limited observation on the subject, that the government throughout this session has observed a conspiracy of silence in regard to unemployment—

Were we not faced with the very same situation? We have put questions time and again, and the hon. member for Essex East did not let a week go by without asking the minister for information not only on the unemployment situation but also on what the government had in mind to meet the situation. All we got were evasive answers. We were not supplied with the documents which would have enabled us to study the situation. Why? It is precisely because on the other side of this house they realized that nothing substantial had been done to relieve unemployment.

I have another quotation, this one from the Prime Minister. When he was on this side of the house, in 1955, the Prime Minister said, as reported on page 3612 of *Hansard*:

> At the beginning I am just going to say a word in regard to employment. Strangely enough, there has been no serious answer from the government regarding the unemployment problem that still fills the hearts of many Canadians, no answer whatever as to what is to be done now by the government, except a speech by the Prime Minister at the dominion-provincial conference—

How like today.

> —as to what is to be expected at a further meeting to take place this coming fall between the federal and provincial authorities.

Again a striking similarity.

> Indeed, the great and abiding principles that were to bring about a new millennium in dominion and provincial relations now have been embalmed in the records of history.

Isn't that just like the meeting which took place this year. Provincial premiers wanted to discuss that unemployment matter which is of concern to everybody; but instead of dealing with unemployment, they talked about bringing back the constitution to Canada. Nobody dared tackle that matter. They tried to embalm the whole matter so people would forget about it. Believe me, Mr. Chairman, people are suffering at present and cannot forget this vital matter.

Mr. Chairman, I still have another quotation, but it is the last one. This is a statement made by the Minister of Finance at the time when he was concerned with unemployment. He seems to have forgotten about it since then. He is so busy trying to avoid deficits. As reported on page 2261 of *Hansard* of 1955, he stated this:

> There are people in Canada today who are going hungry as a result of unemployment. There

are ruptures in family life that are occurring day by day as a result of unemployment. In the great urban centres where unemployment is acute it is the experience of all those connected with welfare, church or philanthropic work in any capacity, that men are deserting their families deliberately because that is the only way in which their families can qualify for relief assistance.

The same situation exists today, the same which was described by the Minister of Finance when he was on this side of the house. This is exactly what we have today.

I maintain that the government has failed to do its duty, in a fair way, in a way consistent with the seriousness of the situation. It may be still time for the government to take action. Therefore, I ask the minister to urge other cabinet members to look around and realize the seriousness of the situation. The minister if not in this house, at least in his own office, certainly heard, some members of his party complaining of the seriousness of the situation. I do not blame them for not mentioning it in the house because they are "party men", but they are always complaining because they have to admit that the government is making no effort to improve conditions.

Earlier today, a certain member asked me what the government of the province of Quebec did with regard to unemployment. I was just about to mention it.

There are two kinds of unemployment: seasonal unemployment, and almost permanent unemployment, which is caused by automation, by machines replacing man. Well, I am among those who believe that each of the two governments has its part of responsibility. The provincial government has a certain responsibility, and so has the federal government. But the larger part of responsibility is that of the central body. It is up to this government to bring relief to the jobless and to give him work at a time when he is unemployed. The utmost will have to be done in order to prevent those people from suffering hardship; and yet, nothing seems to be done at this time.

On the other hand, I maintain that it is the responsibility of the provincial government to try and increase the setting up within its boundaries of a variety of industries, so as to be able to supply the people with jobs. May I be allowed to suggest that the government consider the proposal made to the Americans in 1920 by the Hon. Mr. Gouin when he told them: "You want to use our forests, etc.; in that case, come and set up your industries in our country." It was at that time that the International Paper emerged which established itself here, as well as the Anglo pulp and paper company. Besides, those industries gave rise to the magnificent town of Gatineau, in my constituency.

That suggestion came to us from the Gouin government in 1920. We hope the provincial government will find the means of solving the unemployment problem. But while the provincial government is considering the situation, it is the responsibility of the federal government to see to it that people do not suffer from the hardships brought about by unemployment. It must see to it that families have something to feed, house, clothe and warm themselves in winter. That is the immediate responsibility of the federal government, because it is the one that has the greater source of income; its responsibility is the most complete, total and immediate.

Mr. Chairman, I regret that time is flying so fast, because I would have liked to deal perhaps a little longer with the dilapidation of the unemployment insurance fund.

When the Conservative party came into power in 1957, the unemployment insurance fund had accumulated about $900 million to provide for difficult years.

Today, we hear from the minister, according to the latest figures he gave us, that the fund has now gone down to $296 million. If that situation is allowed to continue, the fund will go down substantially, because each month, according to statistics, there is a decrease of $26,800,000. So, if we take off, at one stroke, $26 million from those $296 million, only $270 million are left.

And if this situation should continue, it will become worse next fall and winter and it will mean that the unemployment insurance fund will be totally depleted next winter.

What did the minister provide? What did the government provide to replenish this unemployment insurance fund which is essential to continue to help the unemployed?

This very year, despite the fact that last year, the house raised the payments into the unemployment insurance fund by $78 million through increases in the contributions of workers and employers, the government should have asked the house to vote $300 or $400 million to replenish the fund. But nothing was done. Why? Is it because they fear a deficit?

We have said this in the past, and I repeat it: we think it is quite proper for the government to run up a deficit to alleviate the people's hardship, to bring about social improvement or to prevent human suffering. But when the government does nothing and in spite of that, runs into expenses which might be avoided, I think it is wrong.

Mr. Chairman, this morning I had the visit of a number of my constituents. Never have I had so many calls from heads of families who are in need.

I even had a man crying in my office this morning over the problems he is faced with. That man told me he has been looking for a job for six months, without success. He is reduced to begging. He has no money. As he is reluctant to beg, I had to get in touch with the welfare service in the city of Hull to find out whether they could look after him. That man cried in my office, and you know, Mr. Chairman, how sad it is to see a man cry. Now that is not a unique situation; there are many similar cases, so I should like to close my remarks with this simple quotation—

Mr. Chairman, has my speaking time expired?

(Text):

Mr. Starr: Will the hon. member permit an interruption? I would appreciate it very much if the hon. member would give me the name and the address of this person. I think I can do something for him.

Mr. Caron: I certainly will do so and I thank the minister for making that offer.

Mr. Ricard: What is his name?

The Deputy Chairman: Order.

(Translation):

Mr. Caron: Mr. Chairman, I am in a good mood and I will not allow those individuals to make me lose my temper.

So, Mr. Chairman, may I conclude my remarks by quoting these words from Franklin D. Roosevelt:

(Text):

The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

(Translation):

Mr. Chairman, I hope that the government will draw its inspiration from those wise words of Franklin D. Roosevelt and that it will try to give much to those who have nothing in order to alleviate their troubles.

(Text):

Mr. Grafftey: Mr. Chairman, it is with much pride that I rise in my place at this time to support a government which is led by a Prime Minister who said that as long as he is Prime Minister directing the government and as long as any one man is unemployed this government will consider the problem most seriously and enact most vigorous measures.

Mr. Pickersgill: Give the quotation correctly.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Denis: No one will suffer.

The Deputy Chairman: Order.

Mr. Martin (Essex East): May I ask my generous and amiable friend if he will give us the exact text and where and when these words were used by the Prime Minister who, if I am correct, said no one will suffer—

Some hon. Members: Order.

The Deputy Chairman: Order.

Mr. Grafftey: Mr. Chairman, I feel that was not a question; it was a statement. Before getting into the substance of my remarks this evening—

Mr. Pickersgill: Give us the time and place.

Mr. Grafftey: —I should like to say that this is the tactic that hon. members to my right often employ. Every time we bring in a measure to help the employment situation they say it is nothing and they try to indicate to the people of Canada that this is the only measure with which we are facing the employment situation. Such is never the case. To summarize very briefly, may I say that we have heard speech after speech in the House of Commons by the Minister of Labour indicating that the government has enacted sound measures based on basic Progressive Conservative doctrine; measures which recognize the dignity of the individual, measures which are designed to encourage activity on the local level, measures, I repeat, which in short are in complete accord with the basic doctrines of the party I support. These are the measures, housing—

Some hon. Members: Oh, oh.

Mr. Grafftey: I ask hon. members to my right, will the recent announcement in relation to housing not stimulate employment and the economy? Of course it will. But hon. members laugh. The leader of the C.C.F. party or new party has just laughed, Mr. Chairman. I suggest that he laugh in front of the people who will be employed because of these measures. The Minister of Labour and the Prime Minister announced recently, and earlier this year, an expanded winter works program, a program which, according to the principles of our party, will be enacted on the local level. I remember what the hon.

member for Port Arthur said when I spoke last year on a similar occasion and reported the fact that I hoped that in some way I had helped to put this program over in my own area. We all know that the hon. member for Port Arthur has some very funny theories in relation to the functions of a member of parliament. At any rate he accused me of usurping the functions of civil servants. Such was not the case.

I suggest, that the winter works program is a program toward which every member of parliament can take a bipartisan attitude. It is a program designed to stimulate winter employment on the local level and I feel that every member of parliament on both sides of the house has a responsibility to help to put the program over in his or her respective area.

Mr. Pickersgill: Would the hon. member permit a question?

Mr. Grafftey: Yes.

Mr. Pickersgill: Would he explain where the C.C.F. comes in in a bipartisan program?

An hon. Member: You cannot tell the difference between the Liberals and the C.C.F.

Mr. Grafftey: I should like to say to the hon. member for Bonavista-Twillingate that any problem regarding employment demands bipartisanship, even from the C.C.F. Then we have the measure announced by the Minister of Labour providing increased funds for the education of unemployed people. We also have the increased emphasis that is being put on the national placement service by the Minister of Labour. Every hon. member of the house must recognize the fact that since the government has come to power—

Mr. Martin (Essex East): We have had disaster.

Mr. Grafftey: —workers from one end of the country to the other realize the efforts that are being made through the national placement service offices to place men in jobs.

Mr. Pickersgill: Unfortunately that is true.

Mr. Howard: Apple polisher.

Mr. Grafftey: I could go on to say that these measures are not a cure-all, but in the face of that record, which is not a cure-all, I think opposition members are being most irresponsible, as was the hon. member for Hull, when they say that the present government is not vitally concerned and is not acting in a real way in the face of the present situation.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Negative and passive.

[Mr. Grafftey.]

Mr. Grafftey: I should like to say that the hon. member for Essex East in his usual fashion, with plenty of thunder and fury—in fact I think it was William Shakespeare who said, "Much sound and fury signifying nothing"—made one good suggestion and I will refer to it later. But what in fact did the hon. member for Essex East propose in his speech? In essence the hon. member has demanded a conference to study unemployment.

Mr. Martin (Essex East): I demanded action.

Mr. Grafftey: In his usual way he tried in his speech to convince the house that the government has attempted in some unknown fashion to stifle debate on the employment situation. Time and time again he said that the house was denied an opportunity to discuss the unemployment situation. I ask you, Mr. Chairman, what are we having now if it is not an opportunity to discuss the unemployment situation?

Mr. Martin (Essex East): In the last days of the session.

Mr. Grafftey: Just five minutes ago we heard the hon. member for Hull say that the unemployment or employment situation had been discussed often in the House of Commons. Who is right? I suggest that there has been a lot of debate in the house as to who is responsible for unemployment. Frankly, I am not interested in these detailed niceties. I can say one thing—

Mr. Pickersgill: What about the Prime Minister on January 20, 1958?

Mr. Grafftey: —that a man who is out of work is not interested in who is responsible, the municipal, provincial or federal authorities. He is interested in finding a job. I am not going to get into these detailed arguments. I should like to inform the hon. member for Hull that during the last Quebec provincial election campaign the new premier of the province said that unemployment was entirely a provincial responsibility.

Mr. Pickersgill: Where is the quotation?

Mr. Grafftey: I frankly do not agree with this but he said it nevertheless in a burst of political enthusiasm.

Mr. Pickersgill: Would the hon. gentleman tell us where and when he said it? That statement is untrue and the hon. member knows it.

Mr. Grafftey: I often wonder, Mr. Chairman—

Mr. Ricard: We know it is untrue because it was made by the premier of the province of Quebec.

The Deputy Chairman: Order. The Chair cannot permit more than one member to speak at a time. The hon. member for Brome-Missisquoi.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, when an hon. member, even the amiable hon. member who is speaking, makes a statement which is challenged and he is asked for the authority for the statement I believe it is our practice for the hon. member to give us his authority. The hon. member for Bonavista-Twillingate asked for the authority.

Mr. McGee: He was out of order.

Mr. Martin (Essex East): He modestly asked for the authority, and I think we have a right to ask the hon. and vigorous member for Brome-Missisquoi to give us the authority for his statement.

Mr. MacInnis: Mr. Chairman, the hon. member for Bonavista-Twillingate—

The Deputy Chairman: Order; the hon. member for Essex East asked a question, and repeated his question. If the hon. member has another point, or is he rising on a point of order?

Mr. MacInnis: Yes, Mr. Chairman. The hon. member for Bonavista-Twillingate has just made a remark from his seat that the member speaking has made an untrue statement.

Mr. Pickersgill: That is right.

The Deputy Chairman: I understood he asked him the source of his statement.

Mr. Pickersgill: The hon. member for Cape Breton South is correct. I stated, and I repeat, that the statement made by the hon. member for Brome-Missisquoi that the premier of Quebec stated unemployment was exclusively a provincial responsibility is a statement which is completely untrue and the hon. gentleman knows it is untrue.

Some hon. Members: Order, order.

The Deputy Chairman: Order; we are just having contradictions here, and they can be taken up after the hon. member has completed his speech.

Mr. Grafftey: I have been asked so many questions that I am only going to answer them very briefly. Before I answer them I should like to say this, and it is a very interesting point. During the many election campaigns in my province I find that in the campaign literature published by the Liberal party they always say, "We were not responsible for that."

The Deputy Chairman: Order; I shall have to ask the hon. member to come back to the subject under discussion.

Mr. Grafftey: In answer to the question posed to me by the hon. member for Essex East, may I say that I have in my hand a copy of a full page advertisement in *Le Devoir*, Montreal, dated Tuesday, May 10, 1960, concerning the problem of unemployment. It reads:

(Translation):

The Liberal solution:

1. To consider unemployment as a family problem and a provincial responsibility.

(Text):

Mr. Pickersgill: Was that statement made by the premier of Quebec?

Mr. Grafftey: On May 17, 1960 *Le Devoir* reports, and I am translating the article:

St. Joseph d'Alma: The leader of the provincial Liberal party, Mr. Jean Lesage, promised Sunday that his government will tackle the problem of unemployment not by "reverting to the system of direct relief"—

Some hon. Members: Oh, oh.

Mr. Pickersgill: You are reading the wrong quotation.

Mr. Bourget: Read it all.

Mr. Pickersgill: Go ahead.

Mr. Grafftey: I continue reading:

—not by "reverting to the system of direct relief", founded by the Conservatives in 1931 under Mr. Bennett, as it has just been promised by the leader of the Union Nationale—Mr. Barrette —at Granby, but by a planned economic development of the province and by tactical training of workers at home . . .

It is further reported that Mr. Lesage observed that Mr. Barrette had, nevertheless, recognized that the provincial authorities have their responsibility in the solution of the unemployment problem.

Some hon. Members: Oh, oh.

Mr. Grafftey: I want to revert to the original point I tried to make, and that is that the man out of work is not really interested in the niceties of who is responsible for finding him employment. It is for this reason I reiterate time and time again in this house, that I feel the problem of employment or unemployment is a problem that often demands a bipartisan approach from hon. members. It is for this reason, that so many of the utterances of the hon. member for Essex East in this chamber ring hollowly in my ears.

I can say this, as well, that we must recognize the government is taking active measures in the face of the present situation.

Mr. Pickersgill: Name them.

Mr. Grafftey: As I have already mentioned, the hon. member for Essex East had many suggestions to make.

Some hon. Members: Hear, hear.

Mr. Grafftey: However, I ask him this one question. Over and above the fact that he demanded that we initiate a grandiose conference to discuss the problem, what concrete measure was proposed—

Mr. Martin (Essex East): The hon. member has asked me a question.

Mr. Grafftey: I am not interested in what—

Some hon. Members: Order.

The Deputy Chairman: Order; the hon. member for Essex East has the floor.

Mr. Martin (Essex East): Thank you, Mr. Chairman. The hon. gentleman has asked me a question.

Some hon. Members: No, no.

Mr. Martin (Essex East): He has asked me a question.

Mr. Hees: He knows he would not get an answer.

Mr. Bourget: Are you afraid of the answer?

The Deputy Chairman: Order; once again I must remind hon. members that we cannot have more than one speaker at a time. The hon. member for Essex East was asked a question. I must remind hon. members that they cannot interrupt the hon. member who has the floor unless he permits a question to be asked.

Mr. Martin (Essex East): The hon. gentleman for whom I have a deep affection, asked me a question—

Some hon. Members: No, no.

Mr. Martin (Essex East): Unless it was a rhetorical question and not meant to be answered I shall be glad to deal with it if the hon. gentleman wishes me to do so.

The Deputy Chairman: That is not a point of order.

Mr. Grafftey: In point of fact, I was asking myself a rhetorical question. I have put on the record this evening some of the active measures, undeniably active measures that have been taken by this government.

Mr. Pickersgill: What are they?

Mr. Grafftey: I am not going to say these are a cure-all; I am not for a minute going to suggest that employment or unemployment, as such, is not a problem, but I am going to suggest that active measures have been taken and more active measures will be taken. I am going to suggest that the people of Canada are not interested in the constitutional niceties relating to the role of the opposition.

An hon. Member: Oh, no?

[Mr. Grafftey.]

Mr. Grafftey: I am going to say that at times it would be nice to hear a constructive suggestion from the opposition in a field as important as this. I believe it is irresponsible partisanship to suggest for one minute that the problem of employment has not been given full discussion in this house since we convened here in January.

Another point with which I feel we must deal is the sort of straw man that deserves to be burned as quickly as possible. Hon. members opposite have suggested that the premier of the province of Quebec made a statement in relation to the unemployment problem, and that it may have been discussed in camera during the recent dominion-provincial meetings. The Prime Minister was attacked for not making a statement with regard to what was discussed in this conference recently. Hon. members opposite well know that no statement, either from provincial premiers or the Prime Minister, could be made in relation to those meetings that were held in camera, so I feel this is just another instance of partisan bickering and hollow hankering over an important issue that merits better attention. Everyone here knows that the Prime Minister or the provincial premiers cannot make statements regarding meetings that supposedly have been held in camera.

This is the type of responsible debate for which I make a plea this evening in relation to the problem of employment. I refer to the type of responsible debate that merits the bipartisan consideration of every hon. member. I may say frankly that I do not think the average working man in Canada, when he finds a job, is interested in knowing whether it is supplied to him by a Liberal administration or a Conservative administration or whether it is supplied by a municipal, provincial or federal government. He wants to find a job. I think that is the attitude that we should all take.

Without carrying on much longer there are just a few more things I have in my mind before terminating my present remarks. Like every other hon. member in this house, I have naturally devoted some serious attention to this problem. I cannot help but think of some possible long term national objectives that we might have in relation to the problem of employment. I am not going to suggest any cure-all; they are not perhaps even suggestions. They are merely thoughts, Mr. Chairman. I often wonder how much immigration, for instance, over the next ten years we should have, and what kind of immigration we should have over the next ten years, taking into consideration the expected natural birth increase, in order best to develop the Canadian economy at an

optimum level. These questions are the sort that I think we should ask ourselves about long term national objectives.

Mr. Pickersgill: What is the hon. gentleman doing about it?

Mr. Grafftey: I heard another facetious remark by the hon. member for Bonavista-Twillingate, Mr. Chairman. I suggest that the hon. member for Bonavista-Twillingate place before us in all sincerity what he believes is the best idea. After all, what is this forum except a place for offering what we hope are constructive ideas. If, when I offer suggestions in a true spirit of trying to be helpful, I wonder why my remarks evoke facetious interjections from some hon. members opposite.

I should like to say that I am a supporter of the government and that it allows its backbenchers to speak frankly. We are not under the dictates of any C. D. Howe. I realize that while I am speaking of long term national objectives, I am expanding this debate in a broad fashion. While the Minister of Labour is often seemingly responsible in the narrow sense for statistics that hon. members opposite throw at him, unemployment statistics depend, as we all know, on the economy at large. I therefore go on with other thoughts. I have heard it suggested that expanded trade will help our economic and thus our employment situation.

I should like to suggest to all the businessmen in Canada that under the aegis of the Department of Trade and Commerce we have trade commissioners who are second to none in the world. I feel we should make even further use of them than we are. While the government can take the lead, I feel that private enterprise can help by availing itself of the real facilities of, I repeat again, one of the finest trade commissions in the world.

Then it has been suggested that under the Department of Trade and Commerce some time in the future we might have a revolving export credit fund which in the initial stages might involve $50 million. These are things that all hon. members must look upon at some time in the future with the hope that they will help our economy and thus in turn our employment situation.

Another thing is this. Many of my confreres realize that I whip this matter a good deal but I feel that both government and private enterprise should strees the simple general notion of what I call "Buy Canadian". I do not think you can hope or feel that the housewife on the retail level in the stores can differentiate or would want to differentiate between Canadian made goods and foreign made goods. Once they have reached the retail level, I think it is too late. But I think both the government and private enterprise should initiate and support what I call a "Buy Canadian" policy.

I know that there seems to be a feeling abroad in Canada that because something is imported it has an aura of perhaps snobbery about it. I think a great many good things are made here in Canada by Canadians for Canadians. I look forward to the day when we can increasingly encourage the situation. The government has already taken a great lead in this matter. I feel that more is going to be done and that more will be done by private enterprise, enterprise that is always stimulated and helped by Progressive Conservative doctrines and principles.

I know that the hon. member for Bonavista-Twillingate, as he has done in the past, will perhaps accuse me now of entering into the classical field of high or low tariffs. I am not doing that. I have been one who has always said that we should take a close look at our dumping regulations. I am pleased that the Minister of National Revenue has appointed officers to police more closely the dumping regulations vis-à-vis Canada and outside powers. These are regulations that must be strictly enforced, not only in relation to the textile industry so ably touched upon by the hon. member for Sherbrooke but in relation to many other Canadian goods. Perhaps we shall be obliged to take a more serious look at our position in GATT.

Mr. Chairman, I have been broad in my remarks tonight but these are all things that affect our economy and in turn affect our employment position. They are just a few superficial highlights that I felt might merit attention at this time. I would suggest to some hon. members alongside me that rather than trying day in and day out to make a political football of the employment or the unemployment situation it is time to stop this sort of thing. I know we all like a little bit of infighting now and again but I am sure the people must say at times, "Enough is enough".

The Minister of Labour in these past months during this session and between sessions has posed many problems in relation to the employment situation. He has said time and time again that this government is seriously concerned about it and is taking serious action. I repeat myself. But let us realize one thing and in saying this I hope I am not going to be misunderstood for making these remarks. In my opinion there is such a thing as statistical unemployment. Whether we are taking the unemployment insurance statistics, the national placement service or dominion bureau of statistics statistics or the Martin bureau of statistics;

no matter what statistics we are taking, we must take a good look at them.

An hon. Member: Especially at the last ones.

Mr. Grafftey: I think every Canadian should realize that we have many social welfare measures today, especially since this government has come to power, in that we have extended unemployment insurance benefits. We have social welfare benefits, as well we might, that will never allow anything to happen such as that which happened in the depression days of the thirties. However, Mr. Chairman, I think we must be careful when we are dealing with what I call the problem of statistical unemployment for when statistics are irresponsibly used there is created, not only a lack of confidence on questions of domestic concern but also a lack of confidence among our neighbours to the south and among far away powers. No member of parliament is doing any service to his country or even to his party in the long run when he irresponsibly quotes or reiterates in this house or outside this house statistics that he knows are basically not correct.

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

Mr. Grafftey: Yes.

Mr. Pickersgill: Does he think that was equally true between 1953 and 1957?

An hon. Member: Who is living in the past?

Mr. Grafftey: I know that hon. members in my party whether in power or out of power, have always been most responsible in their use of statistics.

Mr. Pickersgill: Page the Minister of Labour.

Mr. Grafftey: I think perhaps the minister might refer to this matter in his remarks but as I understand it the dominion bureau of statistics samplings are taken from one end of this country to the other. No matter how accurate the samplings are as such in their initial stages I also understand that on these matters the only possible information that can be put down is whether or not the man was in or out of work during the preceding week when he was interviewed.

I might be wrong here, but I think with just those facts alone we realize we are dealing with a very serious problem. In other words, everybody is aware of the fact that we should not for political reasons try and build up what I refer to as statistical unemployment. Certainly there is unemployment and it must be dealt with seriously, but I feel these are statistics which must be dealt with seriously too. I repeat time and time again that it is not serving our country well when they are irresponsibly used either on the home front or abroad.

In summary, I have felt obliged to refute some of the straw men put up before this House of Commons by members opposite. Second, I have tried my best to outline some of the vigorous measures introduced by the government. They are not cure-alls, not the complete answer; and do not let hon. members alongside ever go to the people of Canada and try and tell them we said any one of them is. The hon. member for Essex East has called our winter works program a mere bagatelle, and this from a member of a government which in 1954 and 1955 told the municipalities that nothing could be done for them. Nevertheless, these measures by themselves are not cure-alls. Taken in toto maybe they are not cure-alls either, but they are certainly a step forward in relation to a problem which must be met and is being met.

I have outlined these measures and made what I hope are at best some helpful suggestions.

The Chairman: Order. I am sorry to inform the hon. member that his time has expired.

Mr. Pickersgill: Mr. Chairman, notwithstanding the fact that the hon. gentleman's time has expired, I wonder if I might be permitted to ask him one question. Can I ask the hon. gentleman if he recalls that in the year 1955 the Liberal government assumed half the cost of unemployment assistance to help the municipalities, notwithstanding the fact that he said we did nothing for them?

Mr. Winch: Mr. Chairman, members of the committee seem to be in a rather peculiar mood tonight, and one hardly knows what kind of reception one will get. But I do know that we all enjoyed the tour de force of the previous speaker and that his remarks will be a great deal relished when they appear in the press and in *Hansard* tomorrow.

As a matter of fact, I think there is only one thing wrong with what the hon. member had to say, and that is that it is not going to pay the rent or buy the food or the clothing of the unemployed in Canada today.

The hon. member in his closing remarks said quite a bit about statistics. Good, bad or indifferent, I do not know, but I am afraid that what is happening today as far as the government is concerned is that they are trying to reduce unemployment to a statistic. We hear more talk and more arguments about statistics and whether they are right or wrong than I think we do about the actual question of unemployment itself. That is the

problem, the real fundamental problem, which we have the responsibility of dealing with, not one set of statistics compared to another or whether it is 300,000 or 325,000. It is the problem of unemployment and there is a great deal of it in Canada today.

I feel all of us are concerned with the fact that unemployment in Canada seems to be a perennial and an increasing problem. It is quite all right for hon. members to get up and say that you should not say this, you should not say that, and do not bring that up because it is dangerous to Canada and to countries outside. The real danger is in refusing to face realism, refusing to face facts and refusing to try and work out some plan to handle the problem.

We would be betraying our country if because it may be a little bit unpopular or obnoxious to certain people we were to say the problem does not exist; if we were to close our eyes and say the problem is not there. That may be the attitude of some hon. members but I do not think it is the attitude of the majority. We must be concerned when we pick up our newspapers and read such statements as this, which is taken from the Toronto *Star* of April 30:

> With unemployment figures steadily mounting, many economists and business leaders feel the time has come for a long range look at the problem . . .
>
> A cross section of economists and business experts, applying their statistical stethoscopes to Canada's body economic, come up with this general report:
>
> This summer: A substantial boom.
>
> Next fall: A down-turn in the economy.
>
> Next winter: Unemployment worse than this year.
>
> The winter after: A post-war peak of unemployment.

When some of the chief economists and business men of Canada give that general analysis, when we hear from the provinces and our constituencies, and when we get the statistics from the Minister of Labour about this problem, I say we have got to try to face up to the situation and see what can be done now in order to offset any possibility of an increasing tempo of unemployment.

I am not going to go into any long harangue on the details and the broad general picture; that can be done by others. I want to concentrate for a few minutes on the question of the problem of unemployment as it is now being brought to bear through the medium of automation.

I was very grateful to the Minister of Labour this afternoon when he reported on the research studies undertaken in his department on the question of automation. That is something which is inevitable but it is a problem we have got to face up to now if we are going to be able to offset the conditions which new technologies and efficiencies will bring about in this field. If we do not face up to it, then I say we are being irresponsible as elected members of the people of the country.

I would just like to give a couple of examples as to how automation is operating. Only this week I received a communication from the oil, chemical and atomic workers international union in Vancouver which pointed out that in the 18 months ending May 31 of this year 150 hourly paid jobs had been eliminated through automation in refineries in the Vancouver area. In addition to 150 hourly paid jobs being eliminated through automation, approximately as many staff jobs were also eliminated. So here is a process in the refining industry of my own city of Vancouver which, according to the union affected, has created unemployment for 300 men owing to automation in the industry. I am also informed that the workers who are still employed have been notified that there are going to be more lay-offs yet as they increase efficiency by putting in new automation machines.

That is just one example and I would like to give just one more, because I think it is well known to the Minister of Labour and to the majority of the members of this committee because of the fact that there was a delegation here not so long ago from the united steel workers of America who were representing the employees of English Electric Company at St. Catharines where because of the need for greater efficiency from the company's point of view and because of automation we have the closing of the English Electric plant in St. Catharines.

There have been employed there until recently according to my information approximately 500 employees. As a result of the closing of this plant and the consolidation of the operations in Toronto only 160 of the 500 employees are being invited to sell out at St. Catharines and take employment in Toronto. I understand that the average age of these 500 employees is 53. Nearly one quarter of them are 50 years of age or over and the average length of service of the employees is 16 years. I understand that 80 per cent of the employees are home owners in the St. Catharines area and one third of the homeowners own homes which they value at more than $10,000. In addition, the average number of dependents is 2.26. This means that about 1,000 people are being affected by automation, the need for greater efficiency, the closing down of a plant and its moving to Toronto.

This is not a rare instance. This is happening more and more often and in the new technology it is going to happen more and more often in the future and we have to

face up to it. It is inevitable. You cannot hold back styles and new methods. But the people must be taken care of. We cannot take care of the people affected in this way by just expressing pious hopes and saying we are giving continuous study to the matter. Excellent as may be the research work being done in the minister's department and marvellous as undoubtedly are the reports the hon. gentleman receives, we have reached the stage where we should get down to planning; we must get down to something definite with regard to meeting the situation, and I feel that this is where the government has fallen down up to the present time.

The government has failed to demonstrate to me that they are taking a sufficiently serious attitude toward this phase of the unemployment problem or that they recognize that this difficult situation must be met by distinct policies. I feel that if action is not taken we may get into a worse situation still. Though I appreciate what the minister had to say on the studies on automation which are being carried out I should like him to go further and tell us what practical steps the government has in mind.

We are faced with the need to evolve practical plans to handle the situation. If labour and industry do not get together and reach agreement about the way in which this problem is to be met, then it becomes the duty of the government to take a definite stand and bring in definite policies and even special legislation if required. I have heard it said that when this matter was brought to the attention of the government some time ago—the concentration of industry, the closing down of plants in the smaller towns and so on—the government expressed an understanding of the situation but said it had no power to deal with it.

I feel it is necessary for us to get away from this increasing concentration of industry in a few centres. Decentralization of industry is necessary. Plants must be encouraged to continue their operations in centres which depend upon them, and if necessary assistance should be given to these undertakings to stay where they are, to stay where the homes of their employees have been built and where they have earned their livelihood for years and years. I think we need a more satisfactory and a more militant declaration of government policy in this regard. Canada will not reach its real maturity and potential until, by legislation if necessary, we have decentralization of industry, not only within provinces but throughout Canada.

I believe that when there is notice of approaching automation, whether it affects 400 employees, as in the case of the electric company which I have mentioned in some detail or in the case of the refineries in British Columbia where 300 people have been affected in the last three months, the government should take the initiative, if the industry declines to do so, and say: You have got to start planning; if this move is required, then fine, but you have got to plan now, either to bring a new industry in or to take care of these people; if you cannot take these people with you you have got to have a system of portable pensions. This is the sort of thing which has to be planned before the effect of automation comes into being.

I have only one plea, and that is that we do not ask ourselves rhetorical questions as the previous speaker said he was doing but that we face the realities of the situation, that we face up to the inevitability of evolution and recognize that nothing is here forever. The only thing that is constant is change. I say that we have passed the planning stage. We have reached the policy making stage and in the very near future we shall reach the point at which action must be taken with regard to this particular phase of the unemployment problem to which I have confined my remarks this evening. Let us all, irrespective of party, instead of continually looking at the past, start looking at the future.

(Translation):

Mr. Ricard: Mr. Chairman, I should not want to delay the passage of the estimates of the Minister of Labour (Mr. Starr), but I feel it is my duty to speak in order to correct certain misstatements or to disprove some irresponsible statements made in this house.

I listened to the remarks made earlier by the hon. member for Hull (Mr. Caron) and I was greatly surprised to realize that members did not break out in tears on hearing the heart-rending description he gave of the situation. He exerted himself to make us believe that the present situation, and especially in the field of textiles, was an exclusive responsibility of the Conservative party. Mr. Chairman, allow me to refer to the official report and to acquaint the house with the true situation. I have here a report of the Primary Textiles Institute, dated July 5, 1960, in which I read the following:

> But during the last decade, serious changes in the situation and in the trend of the industry were noticed.

Needless to say that that industry is the textile industry.

> A difficult period set in in 1951 and it is continuing. During that time, 23 spinning mills had to close down, which deprived some 2,000 people of employment opportunities.

On the last page of the same report, we find some statistics according to which, from 1935 to 1939, 120 million linear yards of fabric were imported, while in 1956, under the administration of our friends the Liberals, those imports reached 316 million yards.

During that same period, that is from 1935 to 1939, Canadian industry provided for about 71 per cent of domestic consumption, while it provided for only 55 per cent in 1956.

Mr. Chairman, I should like now to call the attention of the house to a statement made by Mr. Laz Peters, chairman of the Canadian Association of Clothing and Textile Manufacturers. As recorded in the minutes of a meeting of the said association, held in April:

> Mr. Peters lauded the efforts made by the Canadian government to put a stop to "the immoderate influx of Japanese clothing and textile" which wrought havoc in the Canadian market and inflicted hardships upon thousands of workers.
>
> He said that imports of clothing and textile from Japan had increased from $5 million in 1954 to $26.5 million in 1958. "If it had not been for the determination of the Canadian government authorities in their negotiations with Japan in the last five months, that torrent would have been still more devastating."

And Mr. Peters concluded:

> Only voluntary limitation on the part of Japan can stop Canada from inserting restricting clauses in its trade agreements.

We know, Mr. Chairman, that we are ruled by the general agreement on tariffs and trade, which was negotiated by our predecessors and we necessarily have to face a situation which is of their making.

Mr. Chairman, the unemployment problem is not the sole responsibility of the federal government. That was proved a few months ago. And, as further evidence, if I remember rightly, in 1958 the present Leader of the Opposition (Mr. Pearson) stated that unemployment could not be exclusively attributed to the Conservative party.

The settlement of the unemployment issue demands joint action, which concerns all classes of society. Governments, public bodies, and even individuals, have to do their part and try to create as much employment as possible, for without close co-operation from all classes of society, our efforts will be useless.

During the last few months, and I might even say during the past two years, our Liberal friends have bent over backwards trying to proclaim that there was unemployment, to the point of making every worker believe that he was jobless. As a matter of fact, following such baleful propaganda by our Liberal friends who resorted to all available media—radio, television, papers and speeches—several of our workers going to work in the morning had a feeling of being also among the unemployed.

Mr. Chairman, I believe that people now are beginning to realize the situation and are taking Liberal claims with a grain of salt.

The hon. member for Hull paid an unusual tribute to the Conservative members of this house. He paid us a tribute we were not expecting from him. He said that all of us or almost all of us had made representations to our ministers in order that steps be taken to put a stop to unemployment. I can assure the hon. member that it is so, because in the Conservative party it is not only the front line people, the ministers, who express their opinions, but also the backbenchers; and our ministers listen to us, contrary to what used to be the rule in the past.

Everyone recognizes that there are weak points in the Canadian economy. The present Minister of Labour and the other ministers recognize the fact, and all of us are endeavouring to take steps so that there may only be a minimum number of unemployed in Canada. Unfortunately, there are problems that we cannot solve and it has not been possible to this government, in a period of three years, to make up for all the inaction and the lack of foresight that our predecessors have shown during the years they have been in power.

They take pleasure in saying that, in the last war, Canada has experienced an unprecedented period of prosperity, but they hide the fact that in 1936, 1937 and 1938, and even in 1939, the number of unemployed in relation to the population, was much higher than it is now. They hide this information because they believe they can continue to mislead the population and that the people will continue to believe them.

Mr. Chairman, before I resume my seat, I would like to emphasize two points from those facts. First, there are more jobs now in Canada than ever before.

Mr. Martin (Essex East): And more unemployment.

Mr. Ricard: Second, this Conservative government has taken the necessary steps, has made huge sums available to the unemployment insurance fund in order to alleviate the difficulties of the workers who, unfortunately, though nobody wants it to be so, are necessarily unemployed for some time.

So, I ask my hon. friends on my right when they make their great statements on the

situation, to take those facts into consideration and act accordingly by giving people the information they are entitled to get.

(Text):

Mr. McMillan: Mr. Chairman, I listened with interest this afternoon to the minister giving a review of certain studies by his department but I was greatly disappointed that he did not deal with the problem of unemployment as such. I think that all of us should be greatly interested in unemployment and should be giving the utmost consideration to putting men back to work. We spent four days on the bill of rights. That bill is very important, but the people in my area are more interested in getting work. The bill of rights has no apparent effect unless they get a job. I think we are getting things a little bit out of focus because, as I said, we spent four days on the bill of rights and we have not spent five minutes in the house on any new government legislation to put one man back to work.

In the Department of Public Works the estimates have been cut by approximately $25 million which is a far cry from the $1¾ billion which the Prime Minister promised for public works just before the June election in 1958. One man who spoke for the Conservative party in my area thought this was a wonderful thing. He was so entranced by the northern vision that he said he doubted there were enough people in Canada to do the job.

The minister announced that the government would carry on a winter works program on a cost sharing basis with the municipalities. The municipalities are heavily in debt and it is very difficult for many of them to assume more debt at the present high interest rates in order to carry out such projects. The municipalities have had no share in the fiscal policy of the government and I do not think it is fair for the government to call on them to assume more debt at high interest rates in order to help to bail the government out of its mistakes with respect to fiscal policy.

It is true that unemployment was discussed in the house on a motion to go into supply and my leader made some suggestions, as did the hon. member for Essex East and the hon. member for Laurier. I have some 29 suggestions here but I do not think the government has paid much attention to them. At that time they made fun of most of our suggestions and spent their time debating which figures regarding unemployment were right. I have heard much tonight about statistics but in my area we certainly have unemployed people who are entitled to more consideration than statistics.

I think the time is long overdue for the government to bring measures before members of the house to relieve unemployment. Unemployment is our No. 1 social and economic problem and I think members of parliament should be able to debate some of the proposals which the government must have. I know when the Minister of Labour is asked about anything having to do with unemployment or any measure that might be taken he generally says that this is a matter of government policy and that an announcement will be made in due course. I have heard nothing new. It is true that the government announced a cost sharing winter works program with the municipalities but this is nothing new. They had the same thing last year and it took care of comparatively few of the unemployed.

The hon. member for Essex East referred to a national advisory board and suggested we should have such a board to look into the matter, a board which would keep employment and unemployment under review. I think this is a very good suggestion. For instance, I think it would be very helpful for the government to know how many are out of work because of automation so that they could be able to make proper plans for vocational training. I think it is also necessary to know the number who are registered because of seasonal unemployment and also those who may be unemployed because of shifts of trade and shifts in government policy. We get shifts in government policy because sometimes they are building houses and sometimes they are not. When they are not certainly many men are out of work in my area.

One of the first measures that should be undertaken is a study of our manpower resources. The minister reported in the house some time ago that there was a shortage of certain skilled workers at Elliot Lake. If we had some idea about our manpower resources we would have no difficulty in filling these jobs. I think it is very important that the government should encourage students to stay in school longer than some now do. In my view it is better for our young people to finish their education and to learn different skills before leaving school rather than leaving and adding to the numbers in the unskilled labour market. I think the unemployed could be put to work at this particular time because they are at leisure and not doing anything. I was glad to hear the minister say today that he intended to carry out that program.

I heard the hon. member for Essex East say that there was very little unemployment in Australia, western Europe and England. From press reports I have read I know there is a boom in England. I read an article a day or two ago which stated that in western Europe production was up 15 per cent and foreign trade was up 40 per cent. We know that western Germany is importing skilled workers from Italy, Greece, Spain and even from Canada. I understand that in some of the foreign newspapers in Canada there are advertisements for certain skilled workers and I happen to know that two or three German families in my area are returning to Germany. The heads of the households have jobs awaiting them in Germany, and in his particular skill there are more jobs in Germany than there are people to fill them. I do not believe it is a very good thing for us in Canada to be losing skilled workers, people who have come to this country and who want to make Canada their home. We are losing them because they cannot get work in this country.

I note that the other place has a committee set up to inquire into unemployment. I heard over the radio this morning that they were sending out a questionnaire. I do not know how much secretarial help the committee of the other place will have, but it seems to me that this is something that should have been pursued by the government itself and not by the other place. It seems to me that also the committee of the other place will not have an adequate staff to deal with all these questionnaires. They might amount to half a million if everyone answers them, but I doubt that everyone will answer them.

I do not believe that a country like Canada can continue year after year with 6 per cent to 8 per cent of its people unemployed in the spring. I am not going to give any figures in connection with the number of unemployed, but I have read that it was as high as 8 per cent, and the year before last it was 6 per cent. I feel that the policy of the government has been one of drift so far as this problem of unemployment is concerned. They have been waiting for something to turn up, and nothing has. The trouble with this government is that they have depended on the unemployment insurance fund. If they did not have that unemployment insurance fund they would be in trouble. If we did not have an unemployment insurance scheme we would have people waiting in breadlines, just as we did in the days of Bennett. Even today, we see people in long lines at the unemployment insurance offices waiting to get their unemployment insurance cheques.

In so far as the unemployment insurance fund is concerned, I was interested in looking at the statement the minister gave which indicated that in the last three years the fund has gone down from $852 million to $296 million. This means it has gone down by $556.5 million, without taking into consideration the depreciation on the bonds in its portfolio. Some people may think this does not amount to very much money, but it amounts to at least $32 for every man, woman and child in Canada and it amounts to $125 for the head of every household in Canada. This represents a cost of running the government. If, as one hon. member suggested earlier, our unemployment is just statistical, why spend so much money out of the unemployment insurance fund? During the years of Liberal administration this fund increased and now it has gone down precipitously, in spite of the increase of nearly 30 per cent in the contributions from employers and employees.

As I have said, this represents a cost of government. When we talk about the operations of the Department of Finance we find that has a lot to do with this particular fund. For instance, in three years the aggregate extra interest we will be obliged to pay will be half a billion dollars, so you can see that the charges on the unemployment insurance fund and the extra interest of the Department of Finance will amount to about $250 for every family in Canada. I believe this is an indictment of a government which said it would not raise taxes and yet, ever since coming into office, it has steadily gone into debt, as well as taking more money from all Canadians in taxes.

One of the difficulties in which the unemployment insurance commission finds itself is that it has taken on long term bonds. We know that in Canada during the last two years it has been better to hold short term bonds. The result of the way our fiscal policy has been handled has been that we have had two markets for bonds, a short term market and a long term market. At the time of the bond conversion the unemployment insurance commission converted its short term victory bonds into long term bonds which went down precipitously. They sold some of these bonds well under the present market price. I believe the price of these bonds went down to 82, and I do know that the unemployment insurance commission sold some at the time the market was around 85. The unfortunate part about the unemployment insurance commission having these bonds is that when they came to sell them in order to get cash to pay these unemployment benefits the market was very thin. The people in the market know the Bank of Canada is offering these bonds, and

they immediately withdraw their offers. It is extremely difficult for the Bank of Canada to get a firm price for these particular bonds.

I feel that the basic thing back of much of our unemployment is our own fiscal policy. I believe that the high interest rates we are experiencing tend to stagnate our economy. Certainly in this country it costs more to build houses, and it costs more to go ahead with a project that has to be financed. It costs more for the small businessman or for any industry to expand because of the high cost of money. Certainly this government has found it costs more to operate. The municipalities have to pay more in order to float their debentures; they pay more interest. I know of two or three projects in municipalities right now, one of which is a much needed school, that will not proceed because of the high cost of money. This is certainly contributing to unemployment.

I see unemployed people every week end. I feel heartily sorry for them. I believe when a man is unemployed for a long time he loses his morale. Many of these people have made commitments; they have purchased homes, and their savings are gone. They are just living from day to day. I feel this government should take some action to alleviate the situation. If this government had followed a proper fiscal policy we would not have the number of unemployed we have in Canada today. You cannot blame the Minister of Labour for all of this, but he is a member of the government and since he is a member of the government he will have to share in the responsibility. The people of Canada will be paying out more for unemployment insurance because there are more unemployed. As one hon. member suggested, whether they are statistics or not, the unemployed have needs just as we all have, and the people of Canada will have to go on paying for the mistakes of this government, not only because of its fiscal policy but for unemployment as well and the Canadian people will have to absorb the cost of the depletion of this unemployment insurance fund.

(Translation):

Mr. Parizeau: Mr. Chairman, I should like to make a few remarks on the subject under consideration. In the last three sessions, we have been listening to criticism levelled by the opposition at the present employment situation in Canada, but we have heard few constructive suggestions. They have just been passing the buck and saying that when the Conservatives were in office, there was unemployment, and when the Liberals were in office, there was prosperity. There was that phony prosperity in wartime and in the post-war period, and then in 1957, the Liberals did not see fit to consider the recommendations in the confidential report on the economy, no doubt in the hope that the people would go on believing everything was fine. They hoped something would happen to check unemployment, such as the Korean war. The Liberal party kept hoping for a war, which would have checked unemployment. What did the Conservative government do to correct that deplorable situation? It spent over a billion dollars on housing. It initiated a winter works program. Was that enough? While I am not prepared to say yes, I am not prepared to say it was worthless. The winter works program provided employment for over 50,000 people last winter.

In areas such as mine, where the winter starts around late November, and snow banks reach heights of six or seven feet, and the thermometer drops to 30 degrees below zero, it is hard to build water mains, sewers, etc.

Thanks to the representations made to the Minister of Labour by Conservative members, the provisions will be broadened and thus municipalities will be able to share in the winter works program to a greater extent.

Mr. Chairman, I should like to make a few suggestions to the Minister of Labour and also to the government. I hope that our good friends of the opposition will take them into consideration, since they never made any themselves.

In my opinion, the government should assign $1 billion or more to carrying out important works that are needed throughout the country. I am thinking in particular of the famous maritime causeway, the pipe line from Calgary to Montreal, the building of bridges in Montreal and of a tunnel between Levis and Quebec, and many other necessary works that could be done. Where will this billion be found? In wartime, bonds were being issued. Why, then, could the government not issue Canadian bonds that the Canadian public could buy in order to help reduce unemployment and provide jobs for our people.

I feel that the Canadian people would make a point of buying those bonds in order to help the government to solve the unemployment problem.

Could the federal government not also establish a federal-municipal bank in order to help our municipalities? I agree that we do not always have the right to help our municipalities directly, but through such a

bank we could help them carry out certain projects. If we loaned money to them at a reasonable rate, say 3 or 3½ per cent, our municipalities could carry out public works programs all year round. And whatever Mr. Lesage may say, we all know that unemployment is a provincial responsibility, we all know that unemployment is the responsibility of all three levels of government, federal, provincial and municipal. However, I think that the federal government could establish a federal-municipal fund in order to help municipalities to carry out public works programs.

I also suggest abolishing unemployment insurance and setting up work insurance instead.

If the government were to follow up my suggestions, our municipalities might employ people who are temporarily out of work. We would not see those jobless filing up at the unemployment offices in the fall, where a qualified worker with experience is told that there is no demand for his specialized services, but that he could obtain some other work. And so he refuses and says: "I have enough insurance stamps, I am a qualified workman, have you anything to offer in my own line?" And he gets as an answer: "No sir, but we have something else for you". And the man replies: "If it is outside my line, I would rather receive my $24, $30 or $34, and stay at home, with my feet near the oven, and be warm." And the worker goes on receiving unemployment insurance benefits.

In replacing unemployment insurance by work insurance, the unemployed would have to accept employment on works done by the federal, provincial or municipal governments.

That work insurance would be contributory, just as unemployment insurance, but the contribution would perhaps be higher. I think my colleague from Chicoutimi (Mr. Brassard) had made that suggestion early last winter.

I believe our trade unions would be in favour of such a project. If we had work to be done the year round, all across Canada, I am sure everyone would be at work and would be adequately paid, and no one would have to depend on unemployment insurance. As I said a moment ago, a great number of people prefer to be idle rather than to be employed at jobs which are not in their line, and it is thus that statistics are hurled at us with the cry: "Murder! It's unemployment!"

I hope, Mr. Chairman, that the minister will take note of my suggestions. I admit, they are not very elaborate, but, I believe, they reflect the general ideas stated by my colleagues. They might be considered by economists, who may draw from them, some practical solutions, not in two or three years, from now, but immediately. Let us establish a public works program. I say, once again, let us subscribe $1 billion in government bonds. I am convinced that Canadians will do it gladly in order that major public works be carried out to alleviate unemployment.

(Text):

Mr. Bourque: Mr. Chairman, when I state we are all worried over the prospective unemployment next winter I believe I am expressing the sentiments of every member of this committee. When I crossed swords in a mild way the other day with the Minister of Labour over the winter works programs plan he mentioned that the cost of labour averaged 34 per cent of the total cost. It had been my idea that the labour on an average did not average more than 22 per cent. However, I take his word.

I have worked out here a table showing how little the municipality gets in the end and how little incentive there is for a municipality to undertake a winter works program. Most of the municipalities in Canada can ill afford to undertake any works programs, whether winter or summer. The financial standing of most municipalities precludes them from making any issue of debentures and borrowing money, especially at 5¾ per cent. Works programs cost approximately 10 per cent more when executed in the winter plus the interest on the money borrowed. A $100,000 program would cost in winter $110,000. The Minister of Labour said that about 34 per cent of the cost would be represented by labour. That would mean that approximately 66 per cent of the cost, in round figures, would be for materials or $72,600. Labour then would cost $37,400. The government would pay $18,700. The municipality also would pay $18,700. The government's share would then be 17 per cent leaving the municipality to pay 83 per cent or $91,300 as its share of $110,000.

If the municipality had not carried on the works program in the wintertime the cost to the municipality would be $100,000. That would be the real cost of the job if executed at the municipality's pleasure. As it would have cost the municapility $91,300 under the government plan, the municipality, to carry on the work whenever it wanted to do it, would expend only $8,700, so all it would really get from the government would be 8.7 per cent of the total cost of the job. There is not much incentive when only 50 per cent of the cost of labour is to be granted for any municipality to undertake any winter works program because if you deduct from the

$8,700 the interest at 5¾ per cent on the money borrowed it would leave little saving.

However, I should like to make a suggestion to the minister and if he carries out this plan I think it will help very much with regard to unemployment next winter. It would be a great incentive to the municipalities which are ready to undertake winter works programs.

To my mind the cause of a lot of unemployment amongst intellectuals and men in the best paid trades is due in large measure to United States magazines. In the case of the United States magazines printed in Canada, all the preparatory work is executed in the United States and plates ready for printing are sent to Canada. Editors, writers, artists, make-up men, lay-out men, compositors, monotype and linotype operators, stereotypers, electrotypers, all United States labour, depriving our citizens from enjoying these situations and causing a serious slump in the graphic arts industry and adding greatly to the ranks of the unemployed in these highly remunerative situations.

United States magazines that claim to put out Canadian editions are not doing anything of the sort. They are for the most part merely dumping United States magazines into Canada. True there might be a slight change made in the contents by inserting a few pages touching on Canadian matters, but the majority of the text is still American. These United States magazines sell a lot of advertising space to Canadian advertisers and funnel back the profits to the United States. Canadian publications are facing an abnormal and unfair competition from these United States magazines and many of our large Canadian magazines are being forced out of business, adding greatly to the ranks of our unemployed.

In 1951 the total combined circulation of Canadian national periodicals per year was 42 million copies, against a circulation of United States magazines coming to Canada of 86 million copies. In 1957 Canadian magazines combined had reached a circulation per year of 45,600,000 copies against a circulation of United States magazines coming to Canada of 154 million copies.

Now, Mr. Chairman, intellectuals as well as editors, writers and newspapermen contribute greatly to the progress of any country. They stimulate and inculcate in the minds of the citizens that pride of citizenship which stirs them to greater deeds and to the creation of activities which eventually leads to more employment. By depriving our Canadian citizens of the leadership of these intellectual minds we are rendering them a disservice by forcing them to read United States magazines. These magazines in many cases are a serious threat to our Canadian culture, for they inculcate in the minds of our citizens an American ideology that we do not appreciate. We have a great admiration for our United States friends and we value their friendship. We want to remain on friendly terms with them—

Mr. Brunsden: On a point of order, is the hon. member in order in discussing periodicals from the United States under the Minister of Labour's estimates?

Mr. Bourque: They all bear on unemployment.

Mr. Brunsden: Well, let the Chairman rule on it.

The Chairman: Frankly, I would say that unemployment touches a lot of subjects and I think up until now the hon. member has related his remarks to unemployment to a great extent. He may have been straying a little recently.

Mr. Bourque: Above all, we want to remain Canadians and we want to preserve our Canadian way of life and expression and thought. We prize our Canadian heritage. We are proud to be Canadians. We have two main cultures in Canada and we respect the rights and ideals of one another. We want to preserve these cultures. We meet in harmony and not in conflict and we want to continue to do so; hence our need for magazines with a Canadian mentality so that we may continue to enjoy and cherish the inheritance left to us by our forefathers who were willing to endure the greatest of hardships and even die for the maintenance of the high Canadian principles in which they believed.

In the *Gazette* of Monday, July 25, 1960 there was an editorial and I would like to comment on it. The editor expresses surprise that in a country like Canada with so many advantages over other countries we should find ourselves with hundreds of thousands of unemployed at a cost to the unemployment insurance commission of approximately $500 million a year. And he asks this question:

—what form of economic activity creates the most jobs for Canadians?

And he answers:

Manufacturing creates more jobs than anything else. And in the last decade manufacturing has tended to decline in relative importance.

He further says:

—about 100,000 more young people every year reach the age when they are seeking jobs... Construction and "service" industries like transportation, communications, trade, finance and so forth offer the most jobs but they can scarcely hope to continue their expansion, unless manufacturing, which is by far the greatest employer of labour, itself maintains its rate of growth.

It is a fact that the most ambitious and highly trained of our citizens are leaving Canada because we do not seem to be able to provide them with the wider opportunities they seek.

Our prospects for an increase in population and in job opportunities depends largely upon the extent to which manufacturing is encouraged. Manufacturing is falling behind at the present time. We import more manufactured goods per capita than any other country in the world.

I am particularly interested in the fate of our unemployed. I believe we should gauge our economy to provide a job for everyone who is able and willing to work. I believe it is an inherent right for a citizen to be able to procure for himself a job of his liking, and I believe it is the duty of the government in power to seek ways and means to provide these jobs, to seek the cause of unemployment, and to do everything in its power to create work for all.

I should like for one moment, to give the committee a little information contained in the Canadian apparel and textile manufacturers association's bulletin of March 25, 1960, which bears on the unemployment situation. This bulletin says:

> Value of Japanese exports to Canada of clothing, textile products and fabrics during 1959 showed an increase of 56 per cent from 1958 totals, and in many cases volume outstripped domestic production, reports the Canadian apparel and textile manufacturers association. During 1959 shipments to Canada of clothing and textiles from Japan were valued at $41.5 million, an increase of 56 per cent over the 1958 figure of $26.6 million.

The United States, at least 15 times the size of our market, took only six times as much Japanese textiles in 1959. Imports from Japan of man-made fibre fabrics amounted to 1.4 million square yards in 1958 and 3.4 millions in 1959; imports of cotton fabrics rose from 18 million square yards in 1958 to 25.3 million in 1959. As the committee will realize that is a great cause of unemployment in Canada.

Imports of man-made fibre sports shirts amounted to more than double the Canadian production. I point that fact out to members of the committee and ask them to draw their own conclusions about it. Exports to this country amounted to 370,000 dozen compared with Canadian production in 1958 of 163,000 dozen. Japanese exports to Canada in 1959 generally showed a considerable increase and, if I may, I will mention a few of the items we imported and the quantities in which we imported them.

Towels	6,300,000 units
Gowns, pyjamas and underwear	1,332,000 units
Woven outerwear (coats, dresses, etc.)	3,708,000 units
Bed sheets and pillow cases	3,100,000 units
Blouses	4,092,000 units
Sport shirts	7,536,000 units
Dress and work shirts	2,148,000 units
Trousers and shorts	5,364,000 units
Knitted garments (outerwear and underwear)	6,372,000 units
Gloves and mittens	6,216,000 pairs

Is it any wonder that we have an undue number of unemployed in Canada? Is it any wonder that the textile industry is experiencing such serious financial difficulties at the present time? The same applies to the rubber industry, to the shoe industry, to the automobile industry and to a dozen of our most important manufacturing industries.

May I be allowed, Mr. Chairman, to read in French a few lines from a letter issued

(Translation):

May 5, 1960, by the garment and textile manufacturers association of Canada:

> Canada cannot go on indefinitely importing from Japan to the tune of 50 per cent of its needs for certain textiles without destroying a large part of its industry.
>
> Canada cannot buy Japanese textiles in larger volumes than other industrial countries such as the United States and Great Britain without taking protective measures such as have been taken by 14 other countries which have had to defend their markets against Japan.
>
> Total shipments of Japanese garments and textiles to Canada represent approximately 113,000,000 square yards of cloth; or 6½ yards of cloth for every man, woman, child and infant in this country.
>
> The Japanese have set themselves a quota on shipments of jumpers and shirts to Canada for 1960, which is about equal to what the Canadian manufacturers could hope to produce in 1960.

(Text):

The following is from a bulletin of the cotton institute of Canada, dated May 3, 1960:

> Canadians in 1959 used 540 million yards of cotton fabrics, an increase of 8 million from the previous year, according to figures released today by the Cotton Institute of Canada.
>
> Despite this, Canadian mills were able to sell only 228 million yards on the home market, a decrease of 12 million yards from 1958. Meanwhile, volume of imports sold here increased to 312 million yards from 292 million.

We have all worried over the unemployment situation. The prospects for employment next winter are far from bright. Our citizens are most anxious that some plan be formulated to relieve the unemployment situation and I hope that the Minister of Labour will take my remarks in good part and set the necessary machinery in motion to create jobs so that the Canadian people will not suffer next winter and so that their families and particularly their children may be properly fed and clothed.

(Translation):

Mr. Rouleau: Mr. Chairman, I listened very carefully to the remarks made by the hon. member for Brome-Missisquoi (Mr. Grafftey) when he threw the responsibility of unemployment upon the new Quebec premier.

The present Quebec premier is ready to assume his responsibilities and, as he rightly said, unemployment comes under the federal government, the provincial governments and municipalities.

I found it very improper that politicians, men who call themselves politicians, take advantage of those who are now having trouble finding a job and who can hardly manage to make both ends meet.

Mr. Chairman, we each have our responsibilities. The present Quebec premier, the Hon. Jean Lesage, is ready to assume his responsibilities with regard to unemployment in the province of Quebec and to co-operate fully with the federal Minister of Labour in order to enable our fellow citizens to earn a decent living.

Attempts were made to distort statements made in the province of Quebec during the last election campaign. Some of our Conservative friends from the province of Quebec in this house tried to distort statements or announcements published in the Quebec press during the last election campaign saying that the present premier wanted to take upon himself the entire responsibility for employment in the province of Quebec.

Mr. Chairman, I repeat the present Quebec premier is ready to assume his responsibilities and to work in close co-operation with the federal Minister of Labour and with the present government in order to find an answer to unemployment.

Mr. Chairman, I do not intend to speak any longer about unemployment, because other members who rose before me treated that question competently.

During his last election campaign, the present Prime Minister of our country (Mr. Diefenbaker) solemnly stated that as long as he would be Prime Minister of our country no one would suffer in Canada.

Well, Mr. Chairman, I think that the Canadian people and especially the people of the province of Quebec will agree that never in all the history of this country, have so many of our fellow Canadians suffered as much from unemployment, as since the Conservative party took over.

Mr. Chairman, I am one of those who would like an answer to be found to the unemployment problem. Certain members on this side of the house offered concrete proposals to the present government in order to solve the unemployment problem, but those suggestions fell on deaf ears.

Mr. Chairman, I should like now to deal with another problem which I have already mentioned since being elected to this house, and I am sure that the Minister of Labour will listen with kindness to the remarks I have to make on that matter.

There exists in this country a social problem which all of us parliamentarians have a duty to solve. I am thinking of those who are 45 or over and who, on account of their age, cannot find work. I have been speaking of this for the last four or five years and tonight I want to mention it again and insist further so that legislation is introduced in our statutes in order to put an end to the kind of discrimination which is practised against our fellow citizens who are 45 or over and who are looking for a job.

I admit that some efforts have been made in that direction during the last few months. The Department of Labour has published a pamphlet to facilitate the hiring of workers 45 years of age and over. I am glad it did, but on the other hand, I believe that this publication of the Department of Labour is not enough. So, I again urge the Minister of Labour to place in our statute books an act which would eliminate this discrimination.

In the last few days, we had, in Ottawa, a federal-provincial conference attended by the representatives of the federal government and of the various provincial governments in this country. At some later conference there should be a proposal to study some way of enforcing legislation which would prevent the discrimination I just mentioned.

The representatives of the federal government should, together with those of the various provincial governments, insert in the statutes of parliament and in the statutes of the various legislatures, some legislation tending to prevent such discrimination. The problem is acute and it is up to us to solve it. Something should be done at all levels to settle the matter.

I trust, Mr. Chairman, that at 40, at 45 or even at 50, a man has acquired enough experience in life to be of use to his country and to his province and to be able to earn his living decently. We who are the legislators have no right to tolerate such discrimination. We have only to read advertisements in the papers, or published by the

federal government to realize that such discrimination exists and that it is useless to ask for employment when one is over 40. It is evident, therefore, as I say, that there is discrimination with regard to those people.

The various American states have passed legislation in this respect in order to help their fellow citizens who are 45 years old and over. Now I shall make a special appeal to the Minister of Labour, asking him to put aside party politics and to accept the request I have been making for a number of years to help our fellow citizens.

Ever since I have taken an interest in the matter I have received correspondence from several parts of Canada, and I should like to quote only a few extracts of letters I have received, in order to show the house that the problem does really exist.

Among others, I received a letter from a fellow citizen of Longueuil saying:

I had a job at the Canadian Pratt & Whitney Engine in Longueuil. I was told that past 45 years of age we were dismissed and I tried to get another job; but I was refused all the time on the grounds I was too old at 40. Mr. Rouleau, we will have to wait until we get our old age pension, or else open a blind pig in order to live.

I received another letter from one Mr. Laforce, in the constituency of Chateauguay, who told me, among other things:

I am 54 years old and I am still able to work very well, I am looking for work, but each time I am told that I am too old.

I received another letter from one Mr. Laurent Blais, of St. Roch, who tells me:

When we go and look for a job, we have to state our age and, each time we say we are more than 40 years old, we are turned down.

I received another letter from one Mr. Ernest Pausner, of Montreal, who told me:

(Text):

Dear Sir:

On May 8 I read with pleasure an article in *La Presse*, in which your intention of projecting a new law concerning employment of workers over 45 was reported. Such a law would indeed be the only means to terminate this eternal discrimination of age. This discrimination has sometimes even the effect, that people in that age bracket have to work in strange, unskilled, and badly paid occupations, despite the fact, that these people had a special vocational education.

(Translation):

Here is another letter, which was addressed to the Leader of the Opposition (Mr. Pearson); it comes from Toronto, and is signed by one Miss Grace M. Parker. It reads in part as follows:

(Text):

I believe the government will first have to pass a new law regarding company benefits. It appears that firms will not hire females over the age of 45 years and males—the age limit is 35 years. I have been told by businessmen that benefits are not transferable in case anyone wishes to make a change and that the insurance companies have set the age limit for hiring. The new law should change this to permit a firm to hire older people and either grant benefits on a lower rate or else without benefits. Also that benefits should be transferable. There are many thousands of people out of work through no fault of their own.

(Translation):

Here is another letter I have received from Vancouver. It is from a Mrs. Bonsmiller. I quote:

(Text):

My husband passed away in November, 1958. Since that time I have found that it is impossible to find work because I am 49.

(Translation):

I could go on quoting dozens of such letters. I therefore make a very special appeal to the Minister of Labour in the hope that no later than at the next session, he will introduce a bill to eliminate this plague.

There is another point I should like to raise tonight. As a student at Montreal university and McGill University, I found that a large number of my young fellow citizens lacked the money to pursue their education. I realize that in my province, the new government will soon be instituting free education. However, we in the federal government, without encroaching on the rights of the provinces in the educational field, could help our young fellow citizens to get an education and provide for their needs during their school years.

The federal government could initiate a program to enable our young fellow citizens to work in the summer months and earn enough money to pursue their studies. Here again, I urge the Minister of Labour to do his utmost to sell my suggestion to his colleagues in the cabinet so that we may offer to students across the country jobs that will enable them to earn the few hundreds dollars they need to complete their education.

I know the Minister of Labour, and I know he has great sympathy for our young people. Therefore I feel sure he will give sympathetic consideration to my remarks.

The Minister of Labour has run into many difficulties since the Conservative government has been in power. On several occasions since the Conservative government took office we have dealt with the confusion which exists in Canada because of this government. There is confusion in parliament because of this government. But I am convinced that the

Minister of Labour, despite this confusion, will do his best to solve the two problems I have pointed out.

(Text):

Mr. Peters: Mr. Chairman, again we have the opportunity of speaking on the problem of unemployment and some of the things that go with it. We have heard many suggestions that in my opinion can be implemented to some satisfactory degree but there seems to be a terrific over-all problem that we have not yet been able to face. I notice that in today's Ottawa *Citizen* there is an article entitled, "Senate to Send Questionnaire to Unemployed", which reads as follows:

> Canada's unemployed are to be asked to fill out a special Senate-sponsored questionnaire about themselves—who they are, why they can't find jobs, their training, background and vital statistics. This was indicated Wednesday in the Senate by Senator Leon Methot, chairman of the special Senate committee on manpower.
>
> "I understand these questionnaires are going to be printed in many languages and sent to every unemployment insurance commission office in Canada", he said in reporting that the manpower committee was launching a research study "in depth" into the unemployment problem.
>
> The questionnaires would be drawn up in such a way as to preserve the anonymity of the applicant. The committee has retained Professor John Deutsch of Queen's University, Professor William Hood of University of Toronto and Warren James, a statistical expert with the defence production department, as the nucleus of its research team.

Very seldom is the Senate ever on the right track, Mr. Chairman, but I hope this is one of the times they are. It seems surprising to me that the House of Commons industrial relations committee has not seen fit to employ people of this calibre to do research work into what is unemployment and what is not unemployment.

Mr. Pickersgill: It was not allowed to by the government.

Mr. Peters: I realize the government is responsible for whether or not they do it but it seems funny that the Senate should be the ones to do this in-depth study that they appear to be going to do. There is a considerable difference of opinion as to who is unemployed and who is not. I have heard a number of government members say, and I think sincerely, that those people who are registered with the unemployment insurance commission just do not want to work. I do not think that accusation should be made about anybody in Canada until these people are offered the opportunity to work. If they are offered jobs and turn them down then I think it is quite safe to say they do not want that particular employment at least. If we have no jobs to offer, which is the case in most instances, then we cannot very well say that a person is just lazy and does not want to work. I think that members who use this argument are being unfair to many Canadians who have travelled from one part of the country to another looking for work and have not got it.

Mr. Grafftey: Would the hon. member permit a question? Is the hon. member suggesting that any hon. member actually used this argument in the house? I do not think such is the case. There may be a question of privilege, Mr. Chairman.

Mr. Peters: I do not know whether the hon. member wishes to make it a question of privilege. However, I did not say that anybody had said it in the house. Some members of the government have said this to me and one of them said it today. I do not think it was said facetiously but rather quite sincerely. I do not think he is in a position to offer employment himself but he mentioned that many of these people do not want to work. It is true that we are having trouble in connection with unemployment insurance. There are people receiving unemployment insurance benefits who do not deserve them in my opinion but I would be much happier to find people receiving unemployment insurance payments who do not deserve them than I would be to find any person being turned down who deserves unemployment insurance benefits.

It is quite true that certain married women are drawing unemployment insurance benefits because of conditions we did not realize when the act was first drafted. It is quite true there are people seasonally employed who are making very close to a yearly income out of such employment and yet are able to draw unemployment insurance which is being paid for by people who are getting less than some of these construction workers earn on a seasonal basis. While this is true, I think we have to be very careful in limiting the provisions so that we will not take away the benefits from those who need them just to stop the very few who are abusing the system, and I think there are some now who do abuse it.

The whole matter of unemployment should be given very serious consideration because it seems to me we are reaching the stage now where we are reaping the effects of automation and yet we have done absolutely nothing to overcome the difficulties. This afternoon the minister mentioned that we are extending training for unemployed people who wish to take technical trade training. I hope this will mean that we will turn out more bricklayers, painters, plumbers and mechanics rather than more clerks, storekeepers and inventory keepers in government offices and

that sort of thing. It seems to me that the problem facing the government is a manifestation of the fact that governments have not yet been able to meet the demand for change in industry.

One problem affecting many Canadian workers has to do with automobiles. In tonight's newspaper there is a letter from an economist who points out that there was an increase of 38,800, or 157 per cent, in the number of new cars imported into Canada from the United Kingdom between 1957-58 and 1959-60, and this was accompanied by a fall-off of $5 million in the value of our wheat exports to the United Kingdom. New car imports from the United Kingdom in the first quarter of 1960 were 26,800, a greater total than our imports for five of the past 10 years. In 1959 Canada imported 73,000 British cars.

I think this illustrates that it is time we took a look at the automobile industry. It is quite true that there is all this ballyhoo about bigger cars, faster cars and so on. However, the Canadian people have decided that they do not agree with the automobile industry. They do not want big cars with powerful motors that use more gasoline. They want the small economy cars. They are not interested in the terrific expanse of tailfin, with the consequent increase in price. They are interested in a small car. I think this is the time for the government to give leadership and say to the industry, you will give the people a number of small cars, and you are going to balance the number of cars against what we need to establish an export-import balance.

You may ask me, Mr. Chairman, why we should tell the automobile industry these things. It is very simple. These automobile companies would rather shut down and lay off their workers than change their system of production. They would rather do this because they do not care a hoot about their workers; they do not care a hoot about the country; they do not even care much about the buyer. What they do care about is making a profit. They can make just the same profit from the cars they manufacture in plants they own in Europe as they can from the cars manufactured in the plants they own in the United States. If it gives them more dollars to import cars they produce in other countries, then they are willing to bring those cars into the country and put them through their own dealerships and make their profit in this way.

It seems to me that the government itself is going to have to take some position in connection with directing industry, especially when an industry continues to produce something that is not going to sell. The only people who are going to be hurt in this situation are the workers. Industry will not be hurt because it will at least break even. However, the workers, the municipalities, the storekeepers and the people who are dependent on the auto workers for a living, these are the people who are going to be very hard hit. In the final analysis, the government which is being asked to support these welfare ventures that are necessary is going to be hard hit because there will be no taxes paid.

In the last few weeks notices have appeared in the local newspapers in my area that there will be two of the major mines in Kirkland Lake closed down. One of these is Sylvanite which has operated for nearly 25 years, and the other one is Kirkland Lake Minerals, which has operated for a long time. At the end of this month Kirkland Lake Minerals will lay off half its working force, and will continue operations with less than 100 employees. Sylvanite, which I think has employed about 100 persons for a number of years, sometimes a great deal more, is going to lay off all its employees.

I think it is interesting to note what they are going to do. This company, like a lot of other companies which close out, is not considering the federal government which has financed the company for a number of years. This company is not concerned with the community or their workmen. The company has done no more than it should have for the community or the workers. It has not even given the worker a decent standard of living or a pension plan. It has paid as little income tax and other taxes as possible to the government, while at the same time obtaining as much from emergency gold mining assistance as it could get. However, when it comes to closing out the company is going to dissolve, according to newspaper reports. It is not going to establish an exploration company to look for another mine in order to employ these workers. The company will close down and hopes to be able to liquidate its assets and repay every stockholder all the money put into that particular operation. They are going to do very well by the people who financed them, but they have not done very well by the people who have worked in this industry. They have not done very well by the government which paid a great deal of money to the company in order to help the community exist during the last 15 years.

I think this highlights what I am saying. If the government does not start directing industry into places like Elliot Lake, then there will be more unemployment. There is no great need for a park at Elliot Lake. What

do the miners want with a park? If they want to go fishing, they can fish in the surrounding lakes. The miner does not need a park with a campsite. He has a $15,000 or $20,000 house in that area, and he does not want it in the middle of a park. He needs a job and industry should be directed there to provide him with a job. I suggest this government should take industry out of Toronto and other municipalities that do not really need it. They have more industry than they have room for now, and some industries should be moved from there to places like Elliot Lake.

Today, with all the technological changes, a worker can produce five or 10 times as much as he could 20 years ago. However, he is going to wear the same amount of clothes, buy the same amount of food and need the same amount of entertainment. I think it must be obvious to everyone that we are not going to solve unemployment problems until we start supplying new jobs to replace those jobs that are no longer there. If our standard of living continues to increase, it will mean more jobs and more purchasing power. People who are unemployed cannot buy anything. They cannot continue to increase their standard of living and they become a burden on those who remain in the productive field.

At the same time this government is not going to solve unemployment, nor is any other government, until it goes into "depth", as the Senate says. However, I do not believe the government will want to wait as long as the Senate has to find the answer because governments do not last as long as senators.

May I call it eleven o'clock, Mr. Chairman?

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader what the business is for tomorrow and Saturday, and what he intends to do next week?

Mr. Churchill: Tomorrow, Mr. Speaker, we will commence with order No. 5 on today's order paper, the motion pertaining to amending the British North America Act, followed by the estimates of the Department of Labour and the other estimates as already outlined which still retain their position, defence, finance, trade and commerce, and privy council. The business for Monday and Tuesday, I will announce tomorrow night.

There is just one other matter. My understanding is that all parties opposite agree that tomorrow at five o'clock we carry on with estimates rather than the private members' hour. Is that procedure agreeable to hon. gentlemen on the other side of the chamber?

Mr. Chevrier: In so far as we are concerned, it is agreeable. May I ask this further question? Will the Prime Minister be here to deal with the item announced by the house leader?

Mr. Churchill: The Minister of Justice will take that matter in charge. I wonder whether the representative of the C.C.F. is agreeable to that arrangement tomorrow at five o'clock?

Mr. Peters: Yes.

Mr. Deputy Speaker: Does the house give unanimous consent to an order that the house will continue to sit tomorrow without interruption from eleven o'clock a.m. to eleven o'clock p.m.?

Mr. Pickersgill: With an interruption for dinner.

Mr. Chevrier: Yes; an interruption from six o'clock until eight o'clock.

Mr. Deputy Speaker: Oh, I understand; we suspend the hour for private bills. Is that agreed?

Some hon. Members: Agreed.

It being three minutes after eleven o'clock the house adjourned, without question put, pursuant to special order.

Supply—Items Passed

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

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

66. Departmental administration, $8,323,356.

67. Care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling, $400,000.

68. For the establishment of production capacity and for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to the approval of treasury board, $2,731,500.

69. Grants to municipalities in lieu of taxes on crown-owned defence plants operated by private contractors, $129,175.

70. To establish qualified sources for the production of component parts and materials, subject to the approval of treasury board and to authorize commitments against future years in the amount of $1,500,000, $950,000.

71. To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by treasury board, and to authorize commitments against future years in the amount of $7,000,000, $5,000,000.

B—Crown Companies—

72. Expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by treasury board, $3,876,117.

Canadian Arsenals Limited—

73. Administration and operation, $1,349,120.

74. Construction, improvements and equipment, $282,085.

A—Department—

508. Care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling—further amount required, $390,055.

B—Crown companies—

Canadian Arsenals Limited—

509. Administration and operation expenses—further amount required, $1,500,000.

LEGISLATION

The Senate—

The Speaker of the Senate—

175. Allowance in lieu of residence, $3,000.

176. General administration, $734,334.

HOUSE OF COMMONS

The Speaker of the House of Commons—

177. Allowance in lieu of residence, $3,000.

Deputy Speaker of the House of Commons—

178. Allowance in lieu of apartments, $1,500.

179. Allowance to the deputy chairman of committees, $2,000.

180. Expenses of the Canada-United States joint parliamentary committee and delegates attending other inter-parliamentary conferences, $7,500.

181. Subscriptions to publications of the commonwealth parliamentary association to be distributed to members of the House of Commons, and to provide for the Canadian share of expenses of the commonwealth parliamentary association, $11,000.

182. Grant to the Canadian North Atlantic Treaty Organization parliamentary association, $14,000.

183. General administration—estimates of the clerk, $2,085,293.

184. Estimates of the sergeant-at-arms, $871,855.

185. Pension to the unmarried sister of the late Colonel Harry Baker, M.P., $700.

Library of parliament—

186. General administration, $352,828.

House of Commons—

529. Expenses of the Canada-United States inter-parliamentary group and delegates attending other inter-parliamentary conferences—to extend the purposes of vote 180 of the main estimates, 1960-61, to include Canada's fee for membership in the inter-parliamentary union and to provide a further amount of, $12,500.

HOUSE OF COMMONS

Friday, July 29, 1960

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF GERMAN BUNDESTAG

Mr. Speaker: I feel sure that hon. members would permit me to express a word of welcome to the three distinguished members of the Bundestag, the house of commons of the Federal Republic of Germany, who are here today, particularly since last year the Bundestag extended a very cordial welcome to a parliamentary delegation from this House of Commons.

COMMITTEES OF THE HOUSE

Third report of special committee on defence expenditures—Mr. Halpenny.

(Translation):

PRIVATE BILLS

Mr. R. J. McCleave (Halifax): Mr. Speaker, I have the honour to table the twentieth report of the standing committee on miscellaneous private bills, both in English and in French.

(Text):

PRIVILEGE

MRS. FAIRCLOUGH—REFERENCE TO ADVERTISEMENT IN OTTAWA "JOURNAL"

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I rise on a matter of personal privilege, arising out of an advertisement in last night's Ottawa *Journal* by Absell Wholesale which quotes an exchange which took place in this house a few days ago. At that time I rose and took issue with a statement made by the hon. member for Skeena that I was a client of this outfit.

Mr. Speaker, such is not true. I do not know this organization; I have never set foot in their establishment. On inquiry I discovered that a member of my staff had made a purchase there some time ago, without my knowledge, using a blank cheque with my signature which she endorsed. She has told me she shopped for the article desired in a number of other stores but was unable to purchase it anywhere else.

Under the circumstances it will be apparent that this was not a purchase made by me, and I repeat that I do not know this organization.

BUSINESS OF THE HOUSE

REFERENCE OF BILL NO. SD-124 BACK *to* STANDING COMMITTEE

Mr. R. J. McCleave (Halifax) moved:

That the order for house again in committee of the whole on Bill SD-124, an act for the relief of Louise Dupuis Papineau, be discharged; and that the said bill be referred back to the standing committee on miscellaneous private bills together with the evidence taken and the papers produced in respect of the said bill before the Senate standing committee on divorce, and the letter of the petitioner's solicitor and the petitioner's own sworn petition and affidavit requesting that her original petition for divorce be withdrawn.

Motion agreed to.

(Translation):

DOMINION-PROVINCIAL RELATIONS

REQUEST FOR EXPLANATION OF STATEMENT BY ACTING SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to direct a question to the Acting Secretary of State. Is it true that he made this statement, as reported in *La Presse* for July 28, 1960, and I quote:

The Acting Secretary of State also pointed out that a reduction of the defence budget has enabled the federal government to better "meet its responsibilities towards the provinces".

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, having neither seen nor read the article in question, I shall reserve my judgment on the matter. I do not recall using those very words.

Mr. Chevrier: A supplementary question, Mr. Speaker. In fact, this is a reference to a statement allegedly made by the minister over the radio. It seems to me, therefore, that he should remember it.

My second question is this: Is it the policy of the government to cut down on war expenditures in order to give more to the provinces?

Mr. Balcer: Mr. Speaker, in the statement I made over the radio, I explained that this year the government had reduced defence expenditures; on the same occasion, I listed certain federal government expenditures that were helping out the provinces.

Mr. Chevrier: May I have a reply to my question: Is it the policy of the government to reduce war expenditures, so as to give more money to the provinces?

Inquiries of the Ministry

Mr. Balcer: The policy of the government is to reduce any unnecessary expenses and develop all useful services.

(Text):

UNITED NATIONS

CONGO—SUGGESTED OFFER OF CANADIAN FRENCH SPEAKING INFANTRY BATTALION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I sent this question earlier this morning to the Prime Minister's office. In his absence I wonder whether I might address it to the Acting Prime Minister. In view of the C.B.C. report this morning to the effect that Premier Lumumba told United States authorities in Washington yesterday that he is willing to accept more foreign troops so that Belgian troops in the Congo may be repatriated to their own country as soon as possible, and in view of the fact that French is a common language in the Congo, can the Acting Prime Minister say whether the Canadian government will offer to the premier during his visit a French speaking infantry battalion for service in the Congo?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, any troops which are sent to the Congo are going under the authority of the United Nations and not on the request of the prime minister of the Congo. Any action which Canada took would be through the United Nations, and we have received no request from the United Nations for a battalion from Canada.

Mr. Argue: A supplementary question. Can the Acting Prime Minister say whether this question will be discussed with the premier? I realize that troops will be available, of course, through the United Nations.

Mr. Green: I cannot say what items will be discussed with the prime minister of the Congo, but certainly any troops which Canada might send to that country would go under the authority of the United Nations.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the minister whether the government has indicated to the United Nations the kind of forces we will be in a position to send if requested to do so?

Mr. Green: I indicated to the house some days ago that the suggestion had been made to Canada that we should send administrative troops, and that is still the situation.

[Mr. Chevrier.]

LABOUR CONDITIONS

ESQUIMALT, B.C.—PAYROLL DEDUCTION OF HEALTH INSURANCE PREMIUMS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Minister of Finance. If the minister does not have the information he may take the question as notice. Has the minister received representation from the international brotherhood of electrical workers requesting that the 150 employees at Her Majesty's Canadian dockyard at Esquimalt, British Columbia, be permitted to retain their credit union and co-operative health plan and be given the privilege of premium payments by payroll deductions similar to the privilege granted to other groups of employees dealing with other insurance companies? If so, what action has the minister taken in this matter?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have not received any such representation. I shall make an inquiry to ascertain if any message has come to the Department of Finance, but I have not received any representation personally.

PUBLIC SERVICE

AVAILABILITY OF INTERPRETER FOR CONGO PRIME MINISTER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. The question I raise was brought to my attention by a distinguished member of a well-known Canadian family whose exploits in Canadian history are well recorded in our records.

Mr. Grafftey: Ask your question.

Mr. Herridge: Don't be in too much of a hurry. In view of the report in this morning's *Globe and Mail* to the effect that external affairs officials are trying to round up an interpreter for Prime Minister Lumumba, who speaks French but not English, and in view of the fact that the present government has repeatedly stated its respect for the bicultural and bilingual character of the country, would the minister assure the house that there are senior French speaking officials in his department fully competent to receive the prime minister of the Congo without an official interpreter being engaged?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member for Kootenay West usually asks some witty question, but today he has asked a very foolish one. He should not be so gullible as to believe all the things he reads,

even in the *Globe and Mail*. The Department of External Affairs has, I believe, far more bilingual officials than any other department of government. The deputy under secretary happens to be a very distinguished French speaking civil servant, and even the minister is becoming at least partially bilingual.

Mr. Herridge: I am glad my question at least brought that information to the attention of the house.

ATOMIC ENERGY

INQUIRY AS TO DISPOSAL OF U.S. ATOMIC WASTES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the Minister of Trade and Commerce. Can the minister assure the house that atomic waste from the United States will not be dumped off British Columbia or other Canadian coastal waters? Can the minister also inform the house why, as reported, Crossroads Marine Disposal Corporation of Boston, a firm which is licensed by the United States Atomic Energy Corporation to dispose of United States atomic wastes off the United States eastern seaboard, is now operating a plant in Nanaimo, British Columbia for the manufacture of containers for the disposal of atomic waste, and can the minister say where these containers will be used?

Mr. Speaker: Did the hon. member give notice of this question? Unless the minister wishes to answer, it appears to be an appropriate question to be put on the order paper.

Hon. Gordon Churchill (Minister of Trade and Commerce): The notice was very short, about an hour. The source of this report is not identified. The first question is applicable to the Department of External Affairs, not to the Department of Trade and Commerce, and the second question cannot be answered because we have no information which could be obtained within an hour as to whether the firm mentioned has a plant which is operating in Nanaimo, British Columbia, so obviously the question should be placed on the order paper.

Mr. Argue: In view of the lateness of the session I wonder whether the minister would make further inquiries and give an answer some time before the session ends?

Mr. Churchill: The matter will be pursued. I would appreciate the source from which the hon. member has obtained his information.

Mr. Argue: I shall be glad to supply that information to the minister.

Inquiries of the Ministry

FISHERIES

BRITISH COLUMBIA—CONSIDERATION OF SINCLAIR REPORT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may address a question to the Minister of Fisheries and ask him whether it is his intention to make public the report of Dr. Sinclair on the British Columbia fishing industry, and whether the government intends to carry out its recommendations.

Hon. J. A. MacLean (Minister of Fisheries): No decision has been arrived at in connection with that matter as yet.

Mr. Pickersgill: Even about publication?

Mr. MacLean (Queens): That is so.

AIRPORTS

DORVAL—REQUEST FOR STATEMENT ON CONSTRUCTION OF TERMINAL

On the orders of the day:

Mr. John Pratt (Jacques Cartier-Lasalle): I wish to direct a question to the Minister of Transport. I wonder if the minister could give us an up to the minute report on the progress which has been achieved in the construction of the new air terminal at Dorval.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker. Yesterday afternoon I made an inspection of the progress in the construction of the new air terminal at Dorval. I was very much impressed by what I saw. There were at least a thousand men working on the job, and progress is very satisfactory. I would say from what I saw yesterday that there is no doubt this will be one of the finest air terminal buildings anywhere in the world, which of course is in keeping with the needs of the great city of Montreal. We fully expect to open the terminal this year as advertised.

An hon. Member: Was the minister given notice of that question?

DOMINION-PROVINCIAL CONFERENCE

STATEMENT ON FUTURE USE OF CONTINUING COMMITTEE

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Finance a question. In view of the criticism directed at the minister's instrument known as a seminar or study group on federal-provincial fiscal relations, is it the intention of the government to continue that particular form of discussion with

the provinces or has the hon. gentleman now decided to abandon that procedure entirely?

Hon. Donald M. Fleming (Minister of Finance): There has been no criticism from any responsible source—

An hon. Member: Touché.

Mr. Fleming (Eglinton): —either of the continuing committee or of the use which has been made of it. As a matter of fact, not very long ago I heard a commendation of the work of this committee—

Mr. Martin (Essex East): By whom?

Mr. Fleming (Eglinton): —from responsible sources—

Mr. Pickersgill: Responsible but secret.

Mr. Fleming (Eglinton): —on some aspects of the work it had done in preparation for the plenary conference which was held in Ottawa the first three days of this week. Indeed, so highly is the work of the continuing committee regarded by the eleven governments concerned that it has been asked to meet in the interval before the resumption of the plenary conference, and arrangements have already been launched to hold a meeting of that committee in mid-September. I have no doubt that the meeting of the continuing committee at that time will be fruitful, as have its previous meetings. I have heard some suggestion of an effort being made on the part of persons who are not altogether unallied with the hon. gentleman politically in seeking to claim some credit for the original appointment of the continuing committee.

Mr. Pearson: Mr. Speaker, I rise on a question of privilege. Is it proper in this house to refer to the premier of Ontario as an irresponsible source?

Mr. Fleming (Eglinton): Mr. Speaker, obviously the question put by the Leader of the Opposition has no relationship whatever to anything I said.

REQUEST FOR BREAKDOWN OF FIGURES QUOTED BY MINISTER OF FINANCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Finance if he could clear up an ambiguity about his estimate of $2 billion. Could he say whether that includes payments already being made or whether that is additional to what is now being made?

Mr. Fleming (Eglinton): There is no ambiguity and there never has been in this respect in anything I said, Mr. Speaker. The figure I used, as I made quite clear, indicated additional payments.

[Mr. Martin (Essex East).]

Mr. Pickersgill: Could the minister in some fashion provide hon. members with a breakdown?

Mr. Speaker: Order. We dealt with this matter yesterday. The hon. member is repeating his request. I daresay it will be taken into account.

GRAIN

STATEMENT ON DELIVERY AND QUOTA POSITION

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. On Wednesday last, July 27, the minister was asked several questions with regard to the quota system as it pertains to grain producers in the prairie provinces. In reply to my question as to whether the 128 points still on the 6-bushel quota were the same points that were on low quotas in previous years, the minister stated he would have the answer later this week. I wonder if the minister is now in a position to advise the house about this situation.

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes, Mr. Speaker. On Monday I reported that there were 128 points still on the 6-bushel quota. That number has now been reduced to 52, so that most of the stations are now on the 7-bushel quota.

With regard to the specific question, a year ago, on July 31, 1959 there were 183 stations on the 6-bushel delivery quota. I took this up with the Canadian wheat board in August and asked them to give special consideration to those stations during the course of the present crop year. That has been done. I checked with the wheat board on several occasions during the course of the year to make sure that those stations which had complained about being on a low quota for several years would be given special attention. They were on a low quota because of conditions during the course of this crop year and the previous crop year, when a certain amount of grain in the northern part of the three prairie provinces was damp and had to be moved rather quickly to the terminal elevators.

During the early part of this year I mentioned that fact on several occasions. I think the farmers generally in western Canada appreciated the fact that in order that the damp grain might be moved rapidly some would have to wait their turn on the quota. Nevertheless the 183 stations that were checked last year are all on the 7-bushel quota and were on the 7-bushel quota on July

27 when the question was asked. The wheat board has met the necessary requirement there.

The board informs me that the space situation at these points is such that the delivery of the full 7-bushel quota should be possible by July 31. If at the end of the crop year there are some stations still on the 6-bushel quota, or some on the 7-bushel quota where deliveries have been inadequate due to full storage space, I will do the same thing again with the wheat board and check to make sure that during the course of the next crop year those stations receive special attention.

Mr. McIntosh: I should like to ask a supplementary question. Can the minister tell us the area in which the 52 stations still on the 6-bushel quota are located? Is it in the southern part of the province or the northern part?

Mr. Churchill: I do not have the actual area and cannot say whether it is in the north or south, but perhaps I could give a rundown of the quota distribution. Of the 2,007 stations, in Ontario there are 2 on the 7-bushel quota; in Manitoba 369, or the entire group; in Saskatchewan 11 on the 6-bushel quota and 1,071 on 7; in Alberta 41 on the 6-bushel quota and 508 on 7, and in British Columbia 5 stations all told on the 7-bushel quota. The grand total is 52 still on 6-bushels and 1,955 on 7. I will find out for the hon. member what areas are affected by the 11 in Saskatchewan and 41 in Alberta.

Mr. Hazen Argue (Assiniboia): I should like to ask a supplementary question. In addition to the welcome announcement about special attention next year, I wonder whether the minister has given any consideration to whether deliveries could take place for a short time within the new crop year, perhaps for two weeks, so the 7-bushel quota could in fact be available to producers at all points.

Mr. Churchill: I dealt with that question the other day, but it might be worth while to expand it a bit. I discussed with the wheat board the general subject of extension of quotas beyond July 31. As hon. members know, the initial quotas for the 1960-61 crop year become effective on August 1. This is in accordance with the practice of the wheat board, and the same policy has been followed over the last few years. In the opinion of the wheat board it is better to end each year's delivery quota on July 31 and open up with initial delivery quotas for the ensuing crop year on August 1. If delivery quotas were extended for a period after July 31, all deliveries would have to be for the account of the 1960-1961 pool, because under the terms of the Canadian Wheat Board Act July 31 is the terminal date for all pools. The extension of old quotas into a new crop year would result in delaying deliveries under new quotas which become effective on August 1.

Nevertheless, as I mentioned the other day, in one or two instances where box cars arrive on the last day of the crop year I think the practice has been to see that those box cars are filled up, even if it is August 1, and sent on their way. Generally speaking, however, the quotas and the deliveries end on July 31 for the 1959-60 crop year, and the new crop year opens on August 1.

WHEAT BOARD REGULATIONS RESPECTING DELIVERIES TO FEED MILLS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on July 26 the minister promised me an answer within a few days, and perhaps he has it now, with respect to whether or not it is the policy of the Canadian wheat board to insist that feed mills in the purchase of grain shall purchase it through ordinary delivery quotas, or is the policy being changed in line with the report of the agriculture committee?

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I referred the matter to the Canadian wheat board and asked them to consult with the advisory committee of the wheat board. I propose having a conference with the wheat board as soon as possible after the session is over to discuss this matter and see what should be done with regard to the proposal put forward by the agriculture committee.

ADMINISTRATION OF JUSTICE

REPORTED ACTIVITIES OF CHINESE SECRET SOCIETY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address a question to the Minister of Justice based upon a report by Gerald Waring on C.B.C.'s "Preview Commentary" today, which indicated that the Chinese immigration difficulties now being studied by the R.C.M.P. are related to a mysterious chinese secret society known as the Triad. Can the minister give us any indication whether such a sinister society is or has been operating in Canada?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the details of the operation and of the evidence collected by the police in the course of that operation and investigation will be made known as charges are laid and the cases brought before the courts. At that time the courts will have to determine whether the evidence justifies or supports the charges

as laid, including charges that may or may not be laid against any member of any organization or the organization itself. Therefore I think it would be improper for me at this time to name or deny the name of any person or organization with respect to whom speculation may suggest that they are the subject of investigation.

MONTREAL—STATEMENT RESPECTING ARREST OF CERTAIN CHINESE

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): While I am on my feet, Mr. Speaker, I should like to inform the house that I am advised that reports which have appeared in the press regarding the arrest of two Chinese in Montreal yesterday are inaccurate, especially in so far as mention was made that these Chinese were arraigned as much as three hours after their arrest. In fact I am advised that they were arrested at 1 p.m. and were before the court at 2.30 p.m.

In view of the adverse reaction and in some respects unjustifiable criticism with respect to the questioning that has been carried on in the past, may I say there has been no questioning at all of these two persons, on this occasion at least. Upon arrest they were taken directly to the R.C.M.P. headquarters for fingerprinting only and then taken directly before a judge. They have been released on bail. Further arrests are expected within a few days.

OTTAWA—ALLEGED PERJURY IN DIVORCE CASE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is the minister in a position to report on the investigation being conducted by the R.C.M.P. into the alleged perjury in the Eccles divorce case heard before the miscellaneous private bills committee this year? If not, is he in a position to make a progress report?

Hon. E. D. Fulton (Minister of Justice): The hon. member's question anticipates something which has not yet commenced, that is, an investigation by the R.C.M.P. A day or two ago I received a letter from the chief of the committees branch transmitting to me the report of the committee, and I also received a day or two ago the transcript of the evidence. In considering this matter I have felt that inasmuch as the matters concern themselves with two possible species of misconduct, first collusion and second perjury, and inasmuch as either or both of these, if they occurred, occurred also and primarily with respect to the proceedings before the Senate committee, it would be only appropriate that I should communicate with the chairman of the Senate committee to see whether that hon. senator or his committee felt that there was further action their committee desired to take in the matter. I have indicated to him and I am ready to refer the question to the attorney general of Ontario, especially with regard to perjury, but I believe also the attorney general of Quebec should be informed in that regard. I felt it would not be proper for me to do so without obtaining the comments of the Senate committee first.

Of course, with respect to the matter of collusion, if there be collusion, that would have been committed or would have resulted in an abuse of the procedures of parliament but primarily in the Senate committee itself, and it is of course within the power of that body to deal with such an offence, if such an offence were committed in connection with the hearings there.

INDIAN AFFAIRS

OTTAWA—NOTICE PROHIBITING SALE OF ALCOHOLIC BEVERAGES TO INDIANS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Citizenship and Immigration whether she is aware that Bright's wine store at 186 Sparks street, Ottawa, is displaying an antiquated notice issued under the authority of the former director of Indian affairs which prohibits the sale of alcoholic beverages to Indians. In view of the fact that in Ontario Indians are now supposed to be on an equal basis with white men so far as liquor is concerned, would the minister make inquiries to see whether there is any justification for this notice being there?

Mr. Speaker: I think the hon. member will agree with me that this matter is not of such urgency and importance as to occupy the time of the house when we are approaching the end of the session. I suggest that he take it up privately with the minister.

Mr. Howard: It is very important to some individuals.

BUSINESS OF THE HOUSE

INQUIRY AS TO RESUMPTION OF DEBATE ON CAPITAL PUNISHMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the house leader what arrangements have been made for the resumption of the debate on capital punishment?

Hon. Gordon Churchill (Minister of Trade and Commerce): The understanding was that as we reached the close of the session, the house would determine what it wished to do; and in that regard, if the Leader of the Opposition will inform me as to the day on which we will close perhaps we can make some arrangements.

Mr. Pearson: Is the minister not aware that the Prime Minister gave the house an assurance that arrangements would be made for the resumption of this debate?

Mr. Churchill: My understanding is that he said it would be open to the house to determine what would be done.

Mr. Pearson: Read *Hansard*.

JUDGES

AMENDMENT TO BRITISH NORTH AMERICA ACT—SUBSTITUTION OF ADDRESS TO HER MAJESTY THE QUEEN

Hon. E. D. Fulton (for the Prime Minister) moved:

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act, 1867.

Whereas the Senate and commons of Canada in parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen'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. Section ninety nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

"99. (1) Subject to subsection two of this section, the judges of the superior, district and county courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

(2) A judge of a superior, district or county court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy five years, or upon the coming into force of this section if at that time he has already attained that age."

2. This act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this act may be cited together as the British North America Acts, 1867 to 1960.

3. This act shall come into force on the first day of March, nineteen hundred and sixty one.

be rescinded, and that the following resolution be substituted therefor:

B.N.A. Act

That a humble address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the commons of Canada in parliament assembled, humbly approach Your Majesty, praying that you may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom to be expressed as follows:

An act to amend the British North America Act, 1867.

Whereas the Senate and House of Commons of Canada in parliament assembled have submitted addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen'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. Section ninety nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

"99. (1) Subject to subsection two of this section, the judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

(2) A judge of a superior court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy five years, or upon the coming into force of this section if at that time he has already attained that age."

2. This act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this act may be cited together as the British North America Acts, 1867 to 1960.

3. This act shall come into force on the first day of March, nineteen hundred and sixty one.

He said: Mr. Speaker, I am very appreciative of the privilege of moving, on behalf of the right hon. the Prime Minister, the motion which stands in his name on the order paper. The motion, as hon. members will appreciate, asks that the house rescind the resolution adopted by this house on June 14 and substitute therefor a new resolution. The new resolution is in exactly the same form as the original resolution, with the exception that it omits reference to county and district court judges.

The effect of the new resolution therefore, Mr. Speaker, will be to ask Her Majesty to place before the United Kingdom parliament a proposal to amend the British North America Act to provide a retirement age of 75 for the judges of the superior courts of the provinces of Canada. This change is made necessary—I cannot go so far as to say desirable—by the fact that the other place, in dealing with a motion they had before them which had been in identical terms to the resolution which we adopted on June 14, came to the conclusion that they should delete the reference to district and county court judges.

The situation then was that we were faced with the necessity of taking action to deal with our own resolution in order to avoid the possibility of Her Majesty being confronted with humble addresses from the two different houses of the parliament of Canada in two different forms. This, it seemed to us, was a most undesirable if not an improper position for us to contemplate the crown being placed in. While therefore, Mr. Speaker, the government felt that its own view as to the form of the resolution was correct, nevertheless we came to the conclusion also that the exigencies of the situation, in all their implications, indicated that the preferable course was for us to invite this house to rescind its own resolution and adopt a new one which would be in exact conformity with the resolution of the Senate.

This having been done—and I trust this house will agree that this is the preferable course—then the two addresses founded on the resolution may be forwarded, and will be in identical terms. This is, of course, I am satisfied, what parliament would wish to see when we present addresses of this far-reaching importance and consequence to Her Majesty.

I have said that we felt this was the preferable course, and I should perhaps add we felt it was a course that could be adopted with propriety under the circumstances, notwithstanding our previous expression of opinion that it was desirable to include the reference to district and county court judges. In arriving at our conclusion that this was the preferable course, we were reinforced by the realization that in asking the House of Commons to adopt this course we would be achieving the major purpose which we presented to the house, that is of insuring that there will be a retiring age limit of 75 for superior court judges. We realized also that the determination of the retiring age of county court judges might then still be made in accordance with the present provisions of the Judges Act. In adopting this course we are achieving the major purpose, and we are not producing the result that the district and county court judges will have no retiring age limit set because their retiring age may continue to be determined, as at present, by the Judges Act.

On the basis of these considerations, but for the primary reason that we felt it would be undesirable that this parliament should present to Her Majesty addresses in two different forms, one from each house, we came to the conclusion that we should ask the House of Commons to rescind its resolution and substitute another.

Now, with respect to the procedure being followed, the authorities have been consulted, and I think there is no question but that this is the proper course, although it looks cumbersome on the order paper. Our position is that there is authority to the effect that the resolution can be rescinded and a new one substituted therefor, and that this is preferable to a motion to amend a resolution already adopted.

For these reasons, Mr. Speaker, I submit to the house this new resolution calling for the rescinding of the earlier one and the adoption of the new one.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the views of the official opposition in regard to the purpose of the resolution which is now before the house were made known when we discussed the previous resolution, and I do not need to repeat those views on this occasion. At that time we expressed our support for an amendment to the British North America Act, which was undoubtedly required to provide for a retiring age for superior court judges. There was no difference of opinion between the government and ourselves on that score, although there was a difference of opinion as to whether this provision should be made applicable, as we thought, only to judges that were to be appointed henceforth.

However, Mr. Speaker, the decision of the house on that matter was reached, and I have no desire to reopen that question. The decision has been taken. However, this resolution before us today differs from the earlier resolution, as the Minister of Justice has pointed out, in the omission of the previous provision for an amendment to the British North America Act covering the retirement age of district and county court judges.

That provision is omitted. That was a provision that we did our best to have taken out, for reasons which we indicated at some length at the time the earlier resolution was before the house. We were not successful. The other house, however, decided that this provision should be omitted and it saves parliament, as the minister has put it—and indeed the British parliament—from the embarrassment of attempting to deal with two resolutions, not identical, in connection with an amendment to the constitution, the government has decided to accept this omission as recommended by the other house and has submitted this new resolution which implements that decision.

I think the government has been extremely wise in taking this course, which in our view saves this parliament from the consequences of a reversion to colonialism—

Some hon. Members: Oh, oh.

Mr. Pearson: It will be a simple matter to show that. At a time when the Prime Minister has called for a conference or rather has accepted an invitation to a conference which would repatriate, so we hope, the rest of our constitution; while that initiative was being taken, a step had been taken in this house which, if it had been carried out, would have resulted in the expatriation of a part of the constitution which is now under our control.

There has been a good deal of public misunderstanding of the meaning of this provision as it appeared in the first resolution, and some misinterpretation of the effect of its removal. As the minister himself has pointed out, this provision has nothing whatever to do with the retiring age of county court or district court judges. It has nothing whatever to do with that matter. The federal government has legislated for that purpose now without challenge, so far as I know, for 73 years. Under that legislation of this parliament the present age limit of 75 years for district and county court judges was established, I believe, as far back as 1913.

There is therefore no question of re-establishing a retirement age which was established so many years ago. All that this provision would have done—I refer to the one which is now omitted—was to have removed, according to the minister, doubts about the constitutionality of those actions which have been taken by this parliament over a period of 73 years without challenge. When we discussed this matter previously, I referred on June 14 to a question on this specific point. It was a question asked in the session of 1927, and it will be found at page 1080 of *Hansard* of that year. It was a question asked by the then hon. member for Simcoe, Mr. Boys, of the minister of justice of that day. The question was this:

> Is there any special provision in the British North America Act with respect to the retirement of county court judges?

The then minister of justice said no. Another question was asked:

> Is it suggested that such legislation was ultra vires?

The reply given was:

> No, not at all... There is nothing in the British North America Act preventing us from dealing with the tenure of office of county court judges.

However, when we discussed this matter previously the Minister of Justice said that while the provision has not been challenged in the courts there is involved, as he put it at page 4907 of *Hansard,* a residual doubt. Indeed, in his communications with the provinces on this matter he said there was a serious doubt.

As a result, we were asked in this house to resolve this doubt which, so far as I know, had not been in anybody's mind previously; at least there had been no public expression of that doubt, so far as I am aware. We were asked to resolve this doubt not by carrying on until our constitution was entirely repatriated, at which time we could resolve it in our own way if there was any doubt; we were asked to resolve it not by submitting the question to our own supreme court for a decision. No; after the expiration of 73 years we were asked to resolve this so-called residual doubt or serious doubt by asking the parliament of the United Kingdom to declare that we were wrong, that we in this parliament did not in fact have this power which we had been exercising for 73 years, and therefore to ask the parliament of the United Kingdom if it would please amend our constitution and make us honest Canadians again.

That request, Mr. Speaker, was made by a government which talks a good deal about Canadian nationalism and Canadian national development. I ask you, Mr. Speaker, what would have been the reaction in the British House of Commons or in the British parliament upon receiving from this great independent state of Canada a request of this kind, to change our constitution in respect of something over which we have had control for 73 years.

That was the only issue involved in this particular provision which appeared in the earlier resolution, Mr. Speaker, and even at this stage I am glad the government has decided not to take the course which it advocated should be taken a few weeks ago, and which at that time we tried to persuade it not to take.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should think the government would find itself at this time in a rather embarrassing position. As the Leader of the Opposition has said, it was argued in this house by members of his party that the provision to retire district and county court judges at 75 should not have been in the original motion. However, the government insisted that it remain in the motion and the address went to the Senate, where this matter was also considered. Now we have action being insisted upon by the government to bring the address of the House of Commons into line with that of the Senate. I would think that the government, by this action, is admitting bad draftsmanship on its part and, it would appear, is bowing to the accusation that it has received bad advice and admitting in public that this additional provision which was in the first motion was not needed.

Mr. Speaker, I think another course should have been followed. Instead of an abject

surrender to the members of the other place, this government should have arranged for a meeting between the House of Commons and the members of the other place and had a joint conference, as provided for in rule 22, as set forth in Beauchesne's fourth edition. This method which would have demonstrated that the House of Commons was not ready to surrender the terms of its motion to those members of the other place who are insisting upon changes. I believe that is the place where this whole matter should have been discussed, and perhaps at this conference the House of Commons could have persuaded the members of the other place to go forward with the motion we had passed in this chamber.

I think the position the House of Commons is in today demonstrates very clearly the need for reform of the other place, as has been advocated in general terms by this government on many occasions. This is a demonstration which the members of the other place can bring to the House of Commons of—

Mr. Speaker: Order. I would ask the hon. member to consider whether he is in order in pursuing that line. I would think not. It is not relevant to the motion, and I think it is against our rules to make disrespectful references to the other place. The hon. member has not made disrespectful references, but he has questioned their actions. The principal reason I intervene is because this resolution really does not involve the question of the reform of the other place.

Mr. Argue: No, Mr. Speaker; I was just saying it is an indication that in my view there is a need for certain reforms in the other place. I was not speaking in any disrespectful manner of those in the other place. As a matter of fact, this is an occasion when one must give to them the greatest amount of respect, since their motion is the overriding one and we are asked by the Minister of Justice in this motion to amend our position in order to go along with the members of the other place.

Mr. Pickersgill: Would the hon. gentleman permit a question. Does he not really think that what this indicates is a need of a reform in this place?

Mr. Argue: Mr. Speaker, I think it demonstrates both. It definitely demonstrates that this government was either wrong initially in the terms of its motion, or is wrong in its action today. For a man with the knowledge of the Minister of Justice, and for a government led by a distinguished lawyer, it would seem to me that they have been in great error in presenting a motion with such an obvious loophole in it in the first place; or, if they were right in their motion in the first place, then they are now agreeing to a change in a rather subservient way which I think is degrading to the House of Commons itself.

I think hon. members of this house should oppose the motion as it is now set forth as protest against the members of the other place who, with the connivance of the government, are prepared to place the House of Commons in what is obviously an inferior position. In our Canadian democracy it is the belief of the members of this group that the people's will is better served by the House of Commons without so much power being vested in members of the other place. Certainly we say that the government should have had the type of conference set forth in the rules, instead of an abject and total surrender as demonstrated by the terms of the present motion.

Hon. Paul Martin (Essex East): Mr. Speaker, I would like to say a brief word on this subject. The Minister of Justice will remember that when the matter was before the house, I did state my views with regard to this situation. The minister and I had several exchanges as he will recall. The Leader of the Opposition in his succinct statement has made a comprehensive coverage of the problem in so far as this party is concerned, but I believe there is a situation arising out of the position of the government at the present time that must not be overlooked.

The minister has been preoccupied during the past ten days with consultations with the government of the United States in Washington, with his responsibilities as spokeman for the government on the combines act, and with heavy obligations as spokesman for the government in the bill of rights committee. I can only in all charity attribute this heavy preoccupation as the reason for the position in which the minister now finds himself. Other members of the government may not have as valid an excuse, but in the light of what I am going to say I recognize that that is the case so far as the Minister of Justice is concerned. But the Minister of Justice is the spokesman for the government of Canada in this House of Commons. He is not as other private members are. He has a responsibility not only as a member of this house but also as a member of the government.

Mr. Speaker, what was the position of the government regarding this matter when it was first discussed in this house? The position, as the Leader of the Opposition has stated, was that in the matter of the tenure of office of the county and district court judges, the minister felt there was a doubt as to the authority of this parliament to deal

with this question in any way notwithstanding the fact, as was pointed out, that from 1867 and more particularly from 1873 on this parliament had take measures directly in relation to the tenure of office of district and county court judges.

We argued that to ask the United Kingdom parliament for leave to amend our constitution so as to give parliament the power to deal with the tenure of office of district and county court judges was to ask the United Kingdom parliament to do something which we now have the power ourselves to discharge. As the Leader of the Opposition said, to take that course now would be a retrogressive step and that would be going back to the colonial period so far as Canada was concerned. We argued that was objectionable particularly at a time when through one of our provinces, the province of Quebec, initiative was being taken in the matter of acquiring for Canada the right to amend our constitution without resort to any legislative body outside Canada.

Surely the Minister of Justice owes the house a fuller explanation than he has given. We recognize that as a result of the action taken in the other place, the situation now is that Her Majesty's government in the United Kingdom would be confronted with two resolutions from the houses of this parliament which, in part, are in conflict with one another. To allow that situation would be a reflection, as the Leader of the Opposition has said, on the responsible independent position that must be taken by a parliament such as the parliament of Canada.

What the Minister of Justice has not explained is this. Does he now say that the action we took in this house prior to the passage of the resolution with regard to county and district court judges was a valid position to take? Is he now satisfied beyond doubt that this parliament has the right to deal with the tenure of county and district court judges without resort to an amendment of the constitution by the parliament of the United Kingdom? The minister must be in that position before he can accede to the suggested way out of the dilemma in which he has been placed.

The minister cannot accept this solution merely on the grounds of expediency or merely to relieve the government of an embarrassment; he cannot accept it because he is faced with the dying days of this session and that accordingly this is the best way out of the muddle caused by the government's failure to appreciate the constitutional position regarding the tenure of county and district court judges. That, surely, is the situation. The government cannot agree to a course such as this on the mere ground of expediency. It must be backed up by conviction and by an appreciation of what the true constitutional position is. If the minister will now tell the house that it is the considered opinion of himself, of the law officers of the crown and of the government, that the position he took in this house prior to the vote on the resolution has now been changed as a result of further consideration, then of course he will extricate himself from the difficulty in which he now finds himself.

What were the grounds for saying that we must go to the parliament of the United Kingdom to obtain the necessary power to deal with the tenure of office of district and county court judges? What were the grounds presented by the minister? We pointed out the precedents. We pointed out what was done in 1873 and we pointed out what happened in 1926 when the then minister of justice, Mr. Lapointe, in answer to a question asked by Mr. Boys in the presence of such outstanding legal luminaries as the late Lord Bennett and Mr. Cahan, said there was no doubt about the constitutional right of this parliament to deal with matters having to do with the tenure of office of district and county court judges. The Minister of Justice heard that argument prior to the vote in this house on the resolution. He did not agree with that position. He said there was some doubt about the situation, although I think the only evidence of doubt was an observation made by the attorney general of, I believe, the province of Saskatchewan. The minister apparently agreed with that doubt. Does he still agree with it?

The important thing is whether the minister now believes that it is not necessary to go to the parliament of the United Kingdom to get the necessary authority to deal with the tenure of office of county and district court judges. Unless the minister can answer that question in the affirmative, he is now taking, in my judgment, pursuant to the high responsibilities of a minister of justice, an irresponsible course. The minister cannot act merely on the ground of expediency. He cannot act merely because he wishes to extricate himself from the difficulty which the circumstances present.

We in this party believe that it is desirable to retire judges at the age of 75. We have taken the position that in order to provide for the compulsory retirement of superior court judges, authority must now come from the United Kingdom parliament. We have always taken the position that authority of this kind was not required in connection with the

tenure of district and county court judges. But having taken that position, we are now faced with a situation which confirms our fears and our concern. The position taken by the minister prior to the passage of the resolution has been repudiated, not only by a decision in the other place but by the very act which the government now accepts.

Surely the government owes the house a much more careful explanation than the minister has so far given us. The minister must now tell us, "I was wrong". The position, he must now agree, is clearly that this parliament has the right to deal with the tenure of county and district court judges. If the minister takes that position we shall respect him for it. But if not, I say that the course taken by the hon. gentleman is not a responsible one.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to rise briefly to reinforce what has been said by my hon. friend from Essex East, and to reinforce it out of the mouth, in part, of the Minister of Justice himself, because it does seem to me that the point raised by the hon. member for Essex East deserves a serious answer.

I say this with all the more conviction because when I made the same argument in the debate on June 14, as had previously been made by the Leader of the Opposition on this point, the argument that this was a reversion to colonialism and that it was totally unnecessary because the jurisdiction of this parliament had never been questioned, my contentions were ridiculed. I pointed out that no question had been raised regarding this jurisdiction by anyone of eminence in this country since county court judges were retired at the age of 75 in 1913; indeed since Sir Charles Fitzpatrick, who later became chief justice of Canada, had asked parliament to provide for the retirement of judges at 80 years of age in 1903; since Mr. Doherty had done the same thing in 1913, changing the age to 75; since Mr. Lapointe in 1926 took the position to which my hon. friend from Essex East referred, in reply to a Conservative member of that day. I said it was an extraordinary thing that the present Minister of Justice or the Prime Minister should suddenly have had a revelation that every government and every parliament up to this day had been wrong and they were right.

When I made that argument following the Leader of the Opposition, who had already made it one June 14, it was ridiculed. I should therefore like to repeat a few of the words I used on that occasion. I will not go over most of what I said, but I did use these words:

> However, if they feel there is a doubt—

That is the government. I continue:

> —I hope they will refer the matter to the courts. Surely it is the height of colonialism—and no other word can be applied to it—to seek to vest in Westminster a jurisdiction which they have never had—which they did not assume in 1867 and of which certainly, once the Statute of Westminster was passed, they divested themselves—and to seek to put into a British statute something no one has ever questioned since 1867 until the minister had this bright idea quite recently, namely the right of this parliament to do something which this parliament has done over and over again and which has been the basis of the tenure of county and district court judges since the year 1913 without any kind of question. It almost passes comprehension why a government should seek to be so abject.

The hon. member for Carleton (Mr. Bell) interjected at this point, "Nonsense". I went on to say:

> What purpose they think this is going to serve it is very hard to perceive.

The hon. member for Carleton again interjected:

> Argue it on a sensible basis.

The Minister of Justice then interjected:

> The hon. member does not know what that means.

Mr. Martineau: Mr. Speaker, would the hon. member permit a question?

Mr. Pickersgill: Certainly.

Mr. Martineau: Can the hon. member not find a better authority than himself to back up his previous affirmations?

Mr. Pearson: Yes; the Minister of Justice.

Mr. Pickersgill: I do not think the minister is a better authority, but I will go on to quote another authority, the Minister of Justice, if the hon. gentleman will just possess his soul in patience for a moment.

Mr. Martineau: This is a sign of progress.

Mr. Pickersgill: The hon. member for Carleton suggested that I should argue the matter on a sensible basis.

Mr. Fulton: What page?

Mr. Pickersgill: Page 4923 of *Hansard* of June 14. I went on to say:

> The hon. member for Carleton says "argue this on a sensible basis". If the hon. member for Carleton belongs to the school of thought that wants to vest in Westminster again the control of parts of the constitution of this country that have always since 1867 been vested in this parliament, I do not know what other convenient words could be found for such an attitude than a colonial attitude.

I repeat that. I am glad to say that in another place, where the majority is different from what it is here, that colonial

attitude was not taken. In that respect I must say it rather astonishes me to find that the hon. gentlemen in the far corner of the house supported the government on that occasion and appear still to be supporting the old position of the government that this colonial gesture should be made; for the hon. member for Kootenay West warmly supported what the government was doing and opposed the amendment moved by the Leader of the Opposition to take this colonialism out of the resolution before us at that time.

I should like now to turn to what the Minister of Justice had to say about my argument, as reported at page 4925 of *Hansard* in the second column. Referring to my remarks the minister said:

> I have seldom heard so distorted an argument as that made by the hon. gentleman to the effect that to seek to place the position of judges of district and county courts of Canada under the constitution is a retrograde step. Yet that was the argument made by the hon. member for Bonavista-Twillingate.

I interjected "Not at all," and the minister went on to say:

> In an attempt to bolster his political position the hon. gentleman used charges of colonialism and similar inept words.

I certainly did use charges of colonialism. I think it was colonialism and nothing else. It served no practical purpose. The judges were being retired. No one can believe that those judges, some of whom did not like being retired, would not have taken action in the courts if they had thought there was any doubt about the validity of the legislation under which they were being retired. The minister went on to say:

> Of course, as I recall some of the things that were done by the former government I can well understand their resentment of the attempt now being made to place the position of the judiciary with respect to the county and district courts on the sure basis of the constitution—

At this point a number of interjections were made resulting in the following exchange:

> Mr. Pearson: Of the British parliament.
>
> Mr. Fulton: My friend the hon. member for Bonavista-Twillingate and the Leader of the Opposition by his endorsement of that argument would prefer to have the judiciary—the county court judges particularly—left to have their tenure of office—
>
> Mr. Pearson: In Canadian hands.
>
> Mr. Fulton: —determined—
>
> Mr. Pickersgill: By the parliament of Canada.
>
> Mr. Fulton: —by the government with no reference to the constitution whatever.

In fairness to the minister I think I should read that sentence without the interjections made by my leader and myself so we can thoroughly appreciate what the minister said on June 14. These were his words:

> My friend the hon. member for Bonavista-Twillingate and the Leader of the Opposition by his endorsement of that argument would prefer to have the judiciary—the county court judges particularly—left to have their tenure of office... determined... by the government with no reference to the constitution whatever.

That is what the minister said. He said that the retirement of county and district court judges was being done with no reference to the constitution whatever. He was unequivocal about it. In other words the hon. gentleman said that the law under which we are now operating is unconstitutional, yet he comes here today and asks us to reverse the decision of this house, to do what? To go on with this unconstitutional situation which he found so intolerable only six weeks ago.

I wish to draw attention to the words the minister used, referring again to county and district court judges, as found in the second column of page 4930:

> What would happen if they were not included in this address? One would have an extraordinary situation if he considers what would happen if they were left out. Section 1 would say that judges of superior courts shall hold office during good behaviour and shall be removable by the Governor General on address of the Senate and House of Commons. Section 2 would say that judges of the superior, district and county courts shall cease to hold office on attaining the age of 75 years. This would be a most intolerable distinction and differentiation between the position of judges of district and county courts on the one hand and judges of superior courts on the other.

The minister described the situation as most intolerable; yet we are now asked to go back to that situation. In view of the fact that the minister told us on June 14 that what was being done at present was unconstitutional and intolerable—and that was the basis, with which we did not agree, on which he asked the majority in this house to adopt the original address—we are within our rights in marvelling that he should now come back to restore this unconstitutional and intolerable position without giving a word of explanation except that hon. gentlemen elsewhere, refusing to act in a colonial fashion, refused to pass the address that the minister was able to persuade the majority here to pass. That is the situation, as my friend the hon. member for Essex East pointed out a few moments ago.

I wish to draw the attention of the house briefly to another argument used by the minister, that with respect to consultation with the provinces. The minister said that one reason he could not accept the amendment that was offered on June 14 by my leader—and here are his words as found at page 4910; I am going to read no more than is absolutely essential to be fair to the minister and make the argument—was that:

> In my view, therefore, it would not be open to me to suggest at this stage that I could consent to

an amendment to give effect to the point made by the Leader of the Opposition. Before I could do so I believe I would have to go back to the provinces and ask further consent to what to my mind would be a new proposal rather than the proposal which we have placed before the House of Commons and the Senate.

I think we are entitled to be told whether the minister has gone back and asked the provinces, or whether he has recanted about this view too. It is true, I believe, that in the case of every province but one the decision was made by the executive, but in one province the terms of this resolution, literatim and verbatim, were placed before both houses of the legislature and accepted by the legislature, and that is the legislature of a province which historically is perhaps as sensitive about its rights under the constitution as any province.

Is the minister asking us in this house now to change what the legislature of Quebec agreed to without even consulting the premier and the attorney general of that province? If he has consulted them, will he tell us what the premier or the attorney general said about this change? I think perhaps I should also put it on the record that it is true, as I pointed out in defence of our amendment, that district and county courts do not exist in the province of Quebec, and the reference to them was quite irrelevant so far as that province was concerned. That was one reason, of course, why my leader did not hesitate to move and we did not hesitate to support his amendment, because we realized that to take this out would not in fact have any practical effect whatsoever so far as that province was concerned.

But that was not the position taken by the Minister of Justice. The position taken by the Minister of Justice was:

Before I could do so I believe I would have to go back to the provinces and ask further consent to what to my mind would be a new proposal rather than the proposal which we have placed before the House of Commons and the Senate.

What we were asked to do on the 14th of June and what we are being asked to do again is a very solemn thing. We are being asked to go to the parliament of another country to change the constitution of our own country, and we should not be doing this in any spirit of levity. We should be most careful in doing this to follow all the proper forms and procedures, because we know very well how easily precedents are made even when we say we are not making precedents.

It does seem to me, sir, that in view of the confused state in which the government has got itself over this matter we certainly require more explanation of the position of the government than we have had. That, of course, does not alter the fact at all that we take the same view now that we took on June 14 and for which we voted, namely that we should never have contemplated this proposal to ask the parliament at Westminster to start changing parts of the constitution that belong to Canada and always have belonged to Canada. We think that was a grave mistake, a grave error. It was perhaps a lapse into the traditional colonialism of the Tory party.

If the minister wants to get up now and say they are repenting of that colonialism, repenting of that reversion to type; if he wants to say they have got better legal advice than they had when the Prime Minister first introduced the measure, let him do so. We should not forget that this is the Prime Minister's motion, not the minister's motion. If he wants to say that they were ill advised and had the wrong advice and have received better advice now, I think we should be told what that advice is, and whether or not they are satisfied that the retirement of district and county court judges is constitutional, before we are asked to adopt this amended motion.

Mr. Fulton: Mr. Speaker—

Mr. Speaker: I must inform the house that if the Minister of Justice speaks now he will close the debate.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, just before the hon. member for Bonavista-Twillingate sat down he made reference to some confusion that existed in somebody's mind. I turn these words upon him and say that the only confusion that exists is in the minds of the opposition, a confusion created in large by their deliberate refusal to understand the whole of the proposal in its context but rather to give vent to their desire to choose only those selected parts which suited their convenience. I give proof of what I have said immediately by referring to the extraordinary tactic just followed by the hon. member for Bonavista-Twillingate. He is an expert at this kind of tactic. He says, "I am not going to be selective, I am not quoting the whole of the minister's remarks, but I assure the house that in selecting passages I have selected those which will nevertheless indicate his whole position."

Mr. Pickersgill: I rise on a question of privilege.

Mr. Fulton: There is no question of privilege.

Mr. Pickersgill: I rise on a question of privilege. The hon. gentleman has made a suggestion which I think touches my honour as a member of the house. I quoted and gave

the minister the reference, and the minister knows perfectly well that when I have given quotations in the house and have been asked to quote the context I have always been ready to do so, unlike some other hon. members.

Mr. Fulton: I do not know who the hon. member has in mind, and that does not matter. I have him in mind, and I am going to say that in his argument with respect to my position on the amendment of the Leader of the Opposition he has deliberately omitted a portion of my statement occurring immediately before the portion he read which, if he had read it—

Mr. Pickersgill: Which one?

Mr. Fulton: I will come to that in a moment—would have put my position in an entirely different context from that in which he sought to place it by his selective reading. The hon. member said that I owe the house an explanation as to why I rejected the amendment of the Leader of the Opposition. He said I had said that before accepting it I would have to go back to the provinces. He said, "Why then are you now able to accept this position, and have you gone back to the provinces? You owe the house an explanation."

I made it clear, on the earlier occasion, Mr. Speaker, that I rejected the amendment of the Leader of the Opposition in respect of its whole effect on the proposal of the government, because it would seek to remove the word "whether", which would have had the effect of giving the resolution then before the house application only to superior court judges appointed after the resolution came into effect.

Mr. Pickersgill: Who is doing the selecting now?

Mr. Fulton: I pointed out to the house that before presenting the resolution I had discussed it with the provinces and had made no reference to its confinement only to judges appointed after it came into effect but rather to its application to all superior court judges. I said I would therefore not be able to accept an amendment which would have the effect that the provision would cover only judges appointed here after, without going back to the provinces. I made it clear that it was on that ground I was opposed to the amendment. Now the hon. member for Bonavista-Twillingate has sought to suggest that I opposed it because the elimination of district and county court judges was what was in my mind.

That was not what was in my mind when I made the statement. The hon. member for Bonavista-Twillingate said that I opposed the amendment on the ground that it eliminated district and county court judges and that I said I could not do that without going back to the provinces. In proof of what I say let me read this passage which he quoted—

Mr. Pickersgill: In the first place, I did not say that.

Mr. Fulton: —from the bottom of page 4910. It is true that this is what I said there:

> In my view, therefore, it would not be open to me to suggest at this stage that I could consent to an amendment to give effect to the point made by the Leader of the Opposition. Before I could do so I believe I would have to go back to the provinces and ask further consent to what to my mind would be a new proposal—

But the immediately preceding paragraph omitted by the hon. member made clear what I had in mind when I said "new proposal", and that what I had in mind was the proposal to delete the word "whether" so as to give the resolution application only to judges appointed hereafter. Here is what I said toward the bottom of page 4910:

> One way or the other, and it was not intended that the letters should create that impression. The letters and the discussion I had proceeded on the basis that the legislation would become effective immediately and with respect to all judges whether previously or subsequently appointed. It was on the basis of these letters and that discussion, that the provincial consent was received.
>
> In my view, therefore, it would not be open to me to suggest—

The house will appreciate from what I have just finished reading that the paragraph making my position clear is the one immediately preceding the one which the hon. member for Bonavista-Twillingate read and which states:

> In my view, therefore, it would not be open to me to suggest at this stage that I could consent to an amendment to give effect to the point made by the Leader of the Opposition.

That is, without going back to the provinces. My whole argument on that point was that I could not consent to his amendment without going back to the provinces, because his amendment would have had the effect of preventing the resolution being applicable to judges hitherto appointed. I had in mind, as my words prove, that I would have had to go back to the provinces on this question. At that time the county court judges were already covered in the Judges Act and therefore, in that respect, we were making no substantive change; we were making a change merely in the legislative provision.

For the hon. member for Bonavista-Twillingate to suggest that I now have to explain why I have not gone back to the provinces before introducing this new resolution, and then to make that allegation on the basis

of such carefully selected passages from my remarks when the passage immediately preceding it, which he could hardly have avoided seeing, made it clear that his argument was clearly inapplicable, results now in his being in the false position in which he sought to put me.

Mr. Pickersgill: Would the hon. member permit a question?

Mr. Fulton: Yes.

Mr. Pickersgill: Does the hon. gentleman feel, then, that he could ask for an amendment to the constitution in certain particulars without consulting the provinces, though he must consult them in respect of others?

Mr. Fulton: That, of course, is a question—

Mr. Pickersgill: That is what you have just said.

Mr. Fulton: —which shows how incapable the mind of the hon. gentleman is of following a simple proposition. The question of whether I believe there could be a change in the constitution without consulting the provinces is not relevant. We did consult them with regard to county court judges. We said we wanted this amendment with respect to superior court judges, and wanted to know also whether they would be willing to have an age limit on district and county court judges included in this amendment. They said yes. No point arises, therefore, because we are not amending the constitution in the new form of the resolution in any way to which the provinces have not consented.

Now, I hope my hon. friends will be able to appreciate at least that simple statement.

Mr. Pearson: Will the minister permit a question? Did he not include in his communication to the provinces—I have before me the one to the attorney general of Newfoundland, dated October 5—a sentence to the effect that there does appear to be serious doubt as to the constitutionality of that provision? The minister was referring to the provision dealing with district and county court judges.

Mr. Fulton: Certainly I did. But surely my hon. friend can appreciate the distinction between amending the constitution without consulting the provinces on the one hand, and on the other the mere failure, for good and sufficient reasons, to go forward with an amendment to which the consent of the provinces has been received. The two are entirely different propositions. It would be most inappropriate to amend the constitution in a feature requiring provincial consent without having obtained the consent of the provinces, but there is nothing improper about a situation that arises where, having obtained the consent of the provinces to the amendment of the constitution in two respects, we proceed to submit an address to amend it in only one respect, particularly when the elimination of the second respect does not change any single aspect of the change in the first respect.

Mr. Pearson: You said there was serious doubt.

Mr. Fulton: My hon. friends are so anxious that they seek now to deprive me of the opportunity of dealing with these picayune points they have raised. I am going to deal with all these points, but first of all I wanted to demonstrate the falsity of the position assumed by hon. members opposite in making the so-called arguments they have sought to advance.

Mr. Pickersgill: Before the minister leaves that point, would he permit a question?

Mr. Fulton: Yes; anything that might elucidate the position for the hon. gentlemen opposite, I would be glad to do.

Mr. Pickersgill: The minister said he did not feel there was any impropriety in not going ahead with an amendment to which the provinces had agreed. I could not disagree with that point of view. However, I would ask the minister whether if my hon. friend's amendment had carried the other day he would not still have been going forward with the residual portion of the address, and the residual portion of the address would still have been something to which the provinces had consented. If that were the case, what was the point of what the hon. gentleman said in the remarks I quoted earlier?

Mr. Fulton: No. In my view the words immediately preceding the passage which the hon. member quoted make clear that taking out the word "whether" would have made a substantial difference. It would have altered the effect of the proposition which I put before the provinces.

Mr. Pickersgill: Not at all.

Mr. Fulton: If my hon. friend cannot even appreciate the difference between something that is substantial and something that is insubstantial, I may not be able to help. However, other hon. members will be able to follow the argument, so I will complete it.

My view was that to take out the word "whether" would have made a substantial alteration in that aspect of the constitutional change to which we had received provincial consent, namely the imposition of a retirement age of 75 on judges of superior courts.

My hon. friend is surely not going to try to pretend that the provinces, in giving that consent, were not aware of the fact there were quite a number of judges well over 75 at that time, and that there were many more judges under 75 who had been appointed before this resolution was to come into effect and therefore a great number of judges, in fact all the judges presently serving on the superior courts, would have been affected. My hon. friend is trying to suggest by his argument something which is really in the nature of an insult to the provincial ministers who considered this matter, that they would not have been aware that it affected all the judges, and that it was on the basis of that awareness that their consent was given.

So that the change in the address as suggested by the Leader of the Opposition, to make it apply only to those judges appointed subsequent to its passage, would have been a substantial change in the basis upon which provincial consent had been given. I said I did not believe, as a responsible minister of justice, I could consent to that without going back to the provinces. Perhaps my hon. friend from Bonavista-Twilingate would have followed such a course when he was minister. I do not know. All I know is that I am thankful he did not have the opportunity to do it. I am glad he does not have the opportunity to do it now because I would have regarded it as irresponsible, and I suggest that as long as he persists in that attitude that you can play ducks and drakes with the consent received from the provinces, then just so long will he remain where he is, at least until such time as the electors conveniently remove him from the house.

Mr. Pearson: Will the minister permit a question on this point? Is he now stating that if our amendment had been restricted to district and county court judges, then he would have accepted it?

Mr. Fulton: I am not able to give an answer to that question at the present time. All I can say in answer is that, in general, if my hon. friends opposite would introduce sensible amendments, then we would be able to deal with them at the time. What I would have done if he had brought in a sensible amendment, I do not know. I might have fainted with surprise.

Mr. Pearson: You are accepting our amendment now.

Mr. Fulton: My hon. friend says we are accepting his amendment now. We are not accepting his amendment now. His amendment was rejected because, in part, it contained this change which would have substantially changed the basis upon which provincial consent had been received, and that is still rejected.

Now let me come to some of the other things that were said this morning. It was suggested that our original proposal by including district and county court judges was a reversion to colonialism. May I suggest to those who consider this problem seriously that not only was it not a reversion to colonialism, but I think I shall be able to establish that the course that has been suggested by some, if followed, would have been a real and substantial reversion to colonialism. There has been a suggestion that what we should have done was simply to let the two resolutions go forward, and that somehow or other—

Mr. Martin (Essex East): Who suggested that?

Mr. Pickersgill: Yes, who suggested that?

Mr. Fulton: —we are guilty of yielding or knuckling under in making this resolution and bringing it into conformity with that of the Senate.

Mr. Pickersgill: Eating crow.

Mr. Fulton: May I point out that as a result of the procedure followed in submitting the original resolution to the respective house, there was no possibility of a conference after the other house had changed its motion. That is my view on reading rule 22, cited by the hon. member for Assiniboia, because that rule applies only to a case in which one chamber has amended something submitted by the other chamber. In this case the procedure followed was that identical resolutions were submitted in each chamber. It was not the case of an address being adopted here and forwarded to the Senate for their concurrence. Identical addresses were submitted in each chamber. We adopted our address without change. They adopted theirs with an amendment. There is no provision for a conference under those circumstances. It may well be that our rules should be changed in order to take care of this situation. However, in my view and in the view of those who advise me there is no provision for a conference with the Senate in this situation. There is provision for a conference only if one house amends something sent to it by the other.

I have been asked why we followed this course of submitting simultaneous resolutions instead of a resolution of one house to be transmitted to the other. I find that the procedure we followed is the procedure that has been followed with respect to addresses regarding amendments to the constitution

since 1940. I have not been able to find authority as to why this course began to be followed and has been consistently followed since 1940 whereas previously it was not the course followed. But with respect to the manner in which these things are placed on the papers of the houses, we have accepted those procedures worked out by the officials of the houses. It was for that reason that it was done in that way in this case.

I must say that I think we should now give consideration to the question of whether or not we should in future follow the previous system of having an address submitted to one house and then forwarded to the other. Either we must do that or most certainly we must look at our rules with a view to seeing whether they do not need revision in order to make it possible to have a conference with the other place in a situation such as this.

Mr. Martin (Essex East): Will the hon. gentleman permit a question?

Mr. Fulton: Yes.

Mr. Martin (Essex East): Will the minister just tell us where in rule 22 there is anything that would prevent a conference between the two houses in this matter.

Mr. Fulton: If my hon. friend reads the rule he will find—

Mr. Martin (Essex East): I would suggest that the minister read it.

Mr. Fulton: I have read it and I have had it analysed, and the advice I have is that it applies only to amendments made by one house to proposals received from another. Hence what we were confronted with was a situation in which we must either do what we are now inviting the house to do, or be in the position where two conflicting or different addresses would go to the United Kingdom. I ask hon. members of the house to ask themselves this question. Which would have been the greater colonialism, if there be any question of colonialism; the original proposal which we put forward, or a situation in which two conflicting addresses arrive in the United Kingdom and it is then for the United Kingdom authorities to decide what it is that the Canadian parliament wants done, instead of having the Canadian parliament indicate clearly by unanimous resolution what it is that it wants done. We came to the conclusion that the latter situation would be an intolerable one, and we therefore decided to recommend to this House of Commons what we believe to be the proper course for the reasons I outlined when I spoke in moving this motion, namely that the only proper course was to bring the two addresses into conformity.

Mr. Pickersgill: Will the minister permit a question?

Mr. Fulton: No; I am confined to 40 minutes.

Mr. Pickersgill: No, the minister is not confined.

Mr. Fulton: I will permit a question.

Mr. Pickersgill: Will the minister say whether he does not now think that the colonialism consisted in putting in the district and county court judges in the first place? That is what we said.

Mr. Fulton: I wish my hon. friend, when he asks questions, would ask proper ones. He has already said that. All he is seeking to do is to repeat his own nonsense.

Mr. Pickersgill: Because the minister did not deal with the argument.

Mr. Fulton: My hon. friend is so fascinated with his own nonsense that he cannot avoid yielding to the temptation of repeating it by making interruptions in all the manners he knows he should not pursue.

Mr. Pickersgill: Because the minister was not dealing with our argument at all.

Mr. Fulton: If my hon. friend will just have the courtesy of abiding by the rules of the house, I should like to deal with this so-called argument that they put forward, but I should like to be permitted to do it in a fashion which, at least to those accustomed to orderly argument, will bear some resemblance to an orderly argument. However, I find it extremely difficult in the light of these petty interruptions that are constantly made.

Mr. Pickersgill: The precedents of 1956.

Mr. Fulton: Will my hon. friend not contain himself? Can he possibly stop his tongue from wagging?

Mr. Pickersgill: The minister has asked me a question, Mr. Speaker, and the answer is that I will not contain myself.

Mr. Speaker: Order.

Mr. Peters: May we call it one o'clock and give the minister an opportunity to think the matter over?

Mr. Speaker: The minister seems to be having difficulty in making his remarks without interruption. May I ask for the co-operation of hon. members so that he may continue. While I am on my feet may I say that in my view the house will adjourn at one o'clock today unless by unanimous consent it wishes to change its order.

Mr. Martin (Essex East): I think the Minister of Justice ought to be allowed an opportunity to carefully consider his remarks.

Mr. Fulton: I was just coming to the point of dealing with the question of why we put district and county court judges into the resolution in the first place. Here I should like to correct several inaccurate statements made by all three hon. members of the Liberal party who have spoken this morning. Each one of them has said that the exclusive right of the parliament of Canada to legislate with respect to the tenure of office of district and county court judges has ben accepted without challenge for 73 years. That is not the case, Mr. Speaker, and that statement reveals the lack of preparation and consideration given to this matter by hon. members who used those words.

The fact is that there have been circumstances giving rise to doubt as to where the authority to legislate with respect to the tenure of office of district and county court judges resides ever since 1869, when the legislature of Ontario enacted a statute dealing with the tenure of office of district and county court judges. That statute continued in existence on the statute books of the province of Ontario until the year 1953, I think it was, when it was finally removed in the course of one of their annual revisions. Hence to say that there has been no doubt about this matter for 73 years is as complete a misstatement as are most of the other statements that have been made about the matter by the members of the opposition in the course of this debate.

Some hon. Members: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. Fulton: Mr. Speaker, when the lunch hour intervened I had just directed the attention of the house to the fact that the question of whether the parliament of Canada has exclusive legislative authority to deal with the question of the tenure of office of district and county court judges is far from having been without challenge for 73 years, as has been erroneously asserted by the Leader of the Opposition, the hon. member for Essex East and the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I in fact made no such assertion.

Mr. Fulton: Then I am glad to have that correction made by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I said it had not been challenged since 1903.

Mr. Fulton: Then the hon. member says it has not been challenged for 57 years. Apparently he differs from the other two members of his party, because they said it has been without challenge for 73 years. Apparently hon. members opposite cannot agree among themselves as to the length of time for which it has been without challenge.

However, my main point is that it has not been without challenge, and that that challenge has continued ever since 1869, when the legislature of Ontario passed a statute dealing with the tenure of office of district and county court judges, which came immediately under question by the minister of justice of Canada, who at that time was Sir John A. Macdonald. Sir John A. Macdonald took the position that the statute as originally passed in the legislature of Ontario was open to great question.

There is a long history of discussion of that matter which is reflected in the *Journals*, I think it is, of this house. These record the correspondence which took place between the government here and representatives or officials of the government of Ontario. From reading the original correspondence it appears that the time for disallowance had gone by on the first occasion when it could have been exercised. So there was correspondence between officials of the two governments, and the Ontario government agreed to submit to its legislature another bill amending its original bill.

However, the subsequent statute also dealt, although in an amended form, with the matter of the tenure of office of district and county court judges in Ontario, and it is quite obvious from the correspondence and the discussion which took place with respect to the legislation that there was a very fundamental difference of opinion as to whether the parliament of Canada had the exclusive right to legislate with respect to the tenure of office of county or district court judges.

I might refer hon. members, if they want to follow up the interest which I am sure they have in this matter, to an article appearing in the *Canadian Law Journal* of 1881, volume 17, starting at page 445, in which the author of the article took the position that although the matter had been brought under question, that the authority lay with the parliament of Canada. The editor of the law journal appended an editorial note at the end of the article in which he reviewed some

of the authorities and some of the considerations relative to this question.

The position of the government, therefore, with respect to this matter has been that it could not be asserted that there is no question as to where the legislative authority resides and that our constitution is not absolutely clear on the point. There is one other view which I think deserves mention; that because of the silence of the British North America Act on the point, the authority to determine the question of the tenure of office of district and county court judges lies perhaps not so much with the parliament of Canada as with the Governor General.

I think probably the best view is that the complete authority over this question does reside somewhere in the federal field, but that whether it be with the Governor General or with the parliament of Canada itself is a question; and there has been a very considerable and authoritative body of opinion which holds that it is open to question as to whether it lies between the federal and provincial authorities.

So, Mr. Speaker, in the light of that brief résumé of the differences of opinion which have been expressed, differences of opinion which, as I say, resulted in a legislative enactment by the legislature of Ontario which continued on their statute books until 1953, I think it is desirable to resolve the doubts and to resolve them in a manner which would place the matter beyond any question.

In asking the house to consider the reasonableness of that point of view, I think I should remind the house that this suggestion of a constitutional amendment which is now before the house is the first time since confederation that we have asked that the British North America Act be amended with respect to the tenure of office of judges. This is the first time since 1867 that the parliament of Canada has asked the United Kingdom parliament to amend the British North America Act in that respect.

There is no doubt that with respect to the tenure of office of superior court judges the only way in which it is proper to ask for an amendment is first to obtain provincial consent and then to ask the United Kingdom parliament to make that amendment in the British North America Act. That is agreed to by every hon. member of the house who has spoken in this debate.

Mr. Martin (Essex East): Would the hon. minister permit a question?

Mr. Fulton: May I just conclude this portion of my remarks. There is no question as to the propriety of our having asked for provincial consent. There is no question as to the necessity at the present time and under the present circumstances, of submitting an address to the United Kingdom parliament to amend the British North America Act in this respect.

That being accepted by all members of this house, and having been accepted by the members of the other place without question, it is surely reasonable to suggest that while we are asking for this kind of amendment, and this being the first occasion on which this kind of amendment has been asked for with respect to the tenure of office of judges, it would only be the course of prudence to include at the same time in our request for an amendment, a provision that would place the position of district and county court judges beyond question, and which would also have the effect of making it clear that the authority to legislate with respect to the retirement of district and county court judges resides in the parliament of Canada.

Hon. gentlemen say that that is a return to colonialism. Their argument is absurd.

Mr. Martin (Essex East): The minister says that our allegation that this is a return to colonialism is absurd. Does he not agree that his statement, that the power likely resides with the Governor General is perhaps the most blatant declaration of the colonial tendencies of this government that could be found?

Mr. Fulton: First, the hon. member for Essex East has done what he so often does. He has taken a statement which I made beyond what I said, and then tried to say that that was my statement, which it was not. Second, he has misinterpreted what he himself said I said. I said there was some opinion which held that although it may be agreed that authority in this matter lies in the federal field, yet, because of the silence of the British North America Act on the question of the tenure and removal from office of county court judges authority in this matter rests with the Governor General. I did not say it rests with the Governor General. I said there was argument that that might be the case, and I refer the hon. gentleman to the remarks of Lord Watson in the case of the Attorney General for Canada *v.* the attorney general for Ontario (1898) Appeal Cases, 247.

That was not my decision. A Conservative government was not in office at that time; a Liberal government was in office.

What I say is that there is doubt about the matter for the reasons I have given; reasons which, I submit, would lead the average reasonable person to a conclusion that there is indeed some doubt about it. So I said, this being the situation, it seemed to us proper that when we for the first time submit an

address to ask that the British North America Act be amended to deal with the tenure of office of judges, we should take the opportunity at the same time to ask that the authority to deal with the tenure of district and county court judges should also be placed beyond doubt, and that it should be placed beyond doubt within the jurisdiction of the parliament of Canada.

There is nothing whatever of colonialism in that position. It is a reasonable, logical and proper position to take. It is a position which asserts the pre-eminence of Canada in this field, and which attempts to have the situation resolved in the only way in which I submit it can be resolved at this time, that is by a constitutional enactment.

If there is any responsibility for the fact that at the present time we still have to go to the United Kingdom parliament in order to get this sort of constitutional amendment, the responsibility certainly does not rest with the present government of Canada. Indeed, the present government of Canada has given notice in unmistakable terms of its intention to attempt to resolve this problem and produce a method by which authority to amend the constitution of Canada may be brought home to Canada. That was announced by the Prime Minister in the course of his remarks this session, when he was speaking in the debate on the address. Therefore for hon. members opposite to seek to take advantage of this situation by blaming this administration for the fact that authority rests elsewhere is again a misrepresentation and a distortion.

Mr. Pickersgill: Would the minister permit a question? I understood him to say—and if this is not correct I hope the hon. gentleman will correct me—that the effect of this amendment was to give the jurisdiction to the parliament of Canada.

Mr. Fulton: That is correct.

Mr. Pickersgill: Will the minister explain how this amendment gives jurisdiction to the parliament of Canada; because this will be an act of the United Kingdom parliament. Is that not the case? It would be an act which could only be changed by the British parliament.

Mr. Fulton: At the present time, yes; but it makes it clear—perhaps I have not appreciated the meaning of the hon. member's question—

Mr. Pickersgill: Perhaps the minister would permit me to make a slight intervention so I may put it in declaratory form. It seems to me that what the address now before us is seeking to do is to change the provision that judges should hold office for life. It provides that they should hold office until the age of 75. That would be an enactment of the British parliament and, having been enacted, the British parliament alone will be able to change it unless we repatriate our constitution.

Mr. Fulton: That is correct.

Mr. Pickersgill: If the minister had persisted in putting county and district court judges within the terms of the British North America Act, that would have taken jurisdiction away from this parliament, and if any subsequent change was needed that would be up to Westminster and only Westminster could change the situation. That is what we call colonialism.

Mr. Fulton: Then the responsibility for that kind of colonialism rests equally with hon. gentlemen opposite. Indeed, the major responsibility rests with them, because they have rested content with that kind of colonialism for the last 22 years.

Let me complete what I have to say before hon. gentlemen opposite lean back and laugh all over their desks. This government has said it intends to consult with the provinces on a method of bringing the constitution back to Canada so it may be clear that wherever the power to make specific amendments resides, the general power shall reside here in Canada. I am quite prepared to admit that in haste and under interruption I may have overstated the case in one particular and, if so, I should like my previous remarks to be read in the light of what I say now. The point I was making earlier is that there is doubt as to where the authority to legislate with respect to the tenure of office of county and district court judges resides, whether it resides here or whether it resides in the provinces. Our suggested amendments would have made clear that the provinces do not have authority to legislate with respect to the tenure of office of county and district court judges.

Mr. Pickersgill: Nor do we.

Mr. Fulton: If I said our amendment would have put the authority in the parliament of Canada, I should have said in the constitution of Canada. It is our intention to suggest to the provinces the formulation of a means by which the authority to amend the constitution may be brought to Canada, that authority for all amendments to the constitution may be brought to Canada. At that time, this being accomplished, authority with respect to the tenure of office of all judges will be determined in accordance with the constitution of Canada, a constitution which can be amended in Canada.

Division

If there is no objection, as there has been no objection, to our using the present facilities for amending the constitution, namely asking the United Kingdom parliament by way of an address to Her Majesty to amend the constitution, then I fail to see why there should suddenly be objection to a procedure which places district and county court judges in the same position as superior court judges when at the present time no one can say with absolute certainty where the authority to legislate with respect to the tenure of county court judges resides.

Mr. Pickersgill: Would the minister permit a question? Would he say whether he knows of any case since the amendment of 1903—

Mr. Fulton: I am coming to that. The hon. member should not be so eager.

Mr. Pickersgill: May I complete my question? Can the minister give any instance since 1903—

Mr. Speaker: I am sorry to interrupt, but if my interpretation of the rule is correct the hon. minister is limited to 40 minutes and his time has expired.

Mr. Pickersgill: Oh, I think everyone in this house will consent to allowing the minister to go on.

Some hon. Members: No.

Mr. Argue: Let us take the question.

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

YEAS

Messrs:

Aiken
Allard
Allmark
Badanai
Baskin
Batten
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bigg
Bourbonnais
Bourget
Bourque
Brassard (Chicoutimi)
Brooks
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Stormont)
Cardiff
Cardin
Caron
Carter
Chambers
Charlton
Chevrier
Churchill
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschatelets
Dorion
Drysdale
English
Fairclough, Mrs.
Fane
Fleming (Eglinton)
Forgie
Fulton
Garland
Grafftey
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Harkness
Hellyer
Henderson
Hodgson
Horner (The Battlefords)
Jorgenson
Jung
Keays
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Latour
Legere
Lessard
Letourneau
Macdonnell
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McFarlane
McGee
McGrath
McLennan
McMillan
Maloney
Martin (Essex East)
Martineau
Matthews
Monteith (Perth)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Nowlan
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Paul
Pearkes
Pearson
Pickersgill
Pigeon
Pratt
Rapp
Ricard
Richard (Kamouraska)
Roberge
Rompre
Simpson
Smallwood
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Stanton
Starr
Stefanson
Stewart
Tardif
Tassé
Taylor
Thompson
Thrasher
Tucker
Valade
Villeneuve
Webb
White
Winkler
Wratten—132.

NAYS

Messrs:

Argue
Fisher
Herridge
Martin (Timmins)
Peters
Regier
Winch—7.

SUPPLY

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

DEPARTMENT OF LABOUR

General administration—

164. Departmental administration including a grant of $10,000 to Frontier college and the expenses of the international labour conferences, $1,118,255.

Mr. Chevrier: Mr. Chairman, I, together with those who sit on this side of the house, have listened with interest to the remarks made by the Minister of Labour concerning his department during the course of his opening statement. While his statement was an interesting one, I think all of us will agree it was a statement which had to do with the activities of his department. Important as those activities are, in my opinion very little was said during the course of his remarks concerning the very important problem with which this country is faced at the present

time. Of course, I refer to the serious economic problem of unemployment. The minister, while he spoke for some 30 minutes or more, did not give to the committee a detailed statement other than what had been said by the Prime Minister and his other colleague concerning a frontal attack upon the problem which faces us today.

What is the problem? Earlier during this year, when the matter was under discussion in the house, and I refer now to February, 1960, there were 800,000 Canadians out of work and seeking employment. This represented 8.1 per cent of the labour force of this country. The Toronto *Star*, dealing with that question in its weekly editorial on February 27, 1960, had this to say:

> As parliament and various provincial legislatures opened this year, speeches from the throne glowed with confidence about the return of good times and of surging economic activity in 1960. At the very same time 723,000 Canadians were looking for jobs through national employment service. Not all, but the great majority of these were out of work.
>
> The two views do not jibe. There may be good times, but not for the hundreds of thousands of people—and their families—having to depend on unemployment insurance instead of pay envelopes. The insurance, though a help, is no substitute for a job.

Then there is this remarkable paragraph which I should like to put on the record.

> Apart from extending unemployment insurance benefits, the government's main attempts at treatment are to solicit the public to hire people for odd jobs ("Do it now" campaigns) and the winter works program. This program provides relatively few jobs and is certainly no answer to the problem.

At that time there was a great deal of advertising about what was known as the "Do it now" campaign. To what extent this has assisted in providing jobs for people, little or nothing has been said.

What is the position now? The hon. member for Essex East the other day put on the record the situation, and I shall not repeat it except to make one general statement. In June of this year, having regard to the latest figures from the minister's office and the dominion bureau of statistics, there were 300,000 people out of jobs and seeking work. According to the labour force survey of the dominion bureau of statistics for the month of June of this year, this represented 4.6 per cent of the labour force, unemployed and out of work. Three hundred thousand people out of work in the month of June, at a time when normally there is no seasonal unemployment and at a time when the business cycle should be at its peak, is symptomatic of a problem which, it seems to me, demands the immediate attention of the minister and all those who sit with him on the treasury benches. Three hundred thousand people out of work at this time of the year is a serious matter.

What will the position be as time goes on? If the committee will bear with me, I shall attempt to deal with that. I hear from my left the statement, "doom and gloom". Yes, we were accused of being the prophets of doom and gloom, not only during the course of this debate but during an earlier debate, at which time the minister lost his temper and said to those of us who sit on this side of the house, what have you got to offer? Have you anything to offer? I have been sitting here now for I do not know how many days, he said at the time, waiting for suggestions from those of you who sit on the other side of the house, and I have not heard a thing. However, we replied at the time that the responsibility was not on this side of the house, but on the other side of the house to find a solution and to do something about the problem with which this country was faced.

The government faced up to it with the winter works program which provided about 40,000 to 50,000 jobs, a winter works program which was announced too late in 1959 to be of any use in the province of Quebec and which was, because of the credit restrictions in 1960, of very little value. What is the solution?

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

Mr. Chevrier: Yes.

Mr. Grafftey: The hon. member said it was of no use in the province of Quebec. I was wondering if the hon. member was aware of the fact that in my own particular constituency many men were put to work as a result of this program last year?

Mr. Chevrier: The hon. member is perhaps correct. Perhaps when I used the expression it was of no use, I should have said it was of little use because I now say, without fear of contradiction, that in the province of Quebec it provided jobs for less than 8,000 people when there were over 200,000 people out of work in that province. Of that there can be no doubt. The complete lack of planning for dealing with the problem at the time is what has brought about the hard core of unemployment with which this country is faced.

The other day the Prime Minister, the Minister of Public Works, and then later the Minister of Labour himself announced a new solution. What was this solution? It can be dealt with under four headings. First, there was housing. The restrictions are to be relaxed to provide greater employment. I shall

not go into the details of this program because it would take too long. I believe the weakness of that program has been stated by the hon. member for Essex East when he said that all this was doing was replacing unemployment in the winter with unemployment in the summer.

Then there was the winter works program which was extended. I am not complaining about that; that was all to the good. But if the winter works program, as we had it in effect last year and the year before, provided from 40,000 to 50,000 jobs at a time when there was a substantial number of people out of work, what is this extension going to do with regard to the problem?

Then there is the training of unemployed workers. The federal government is to increase its contribution in that field from 50 per cent to 75 per cent of the total cost. Finally, there was the statement by the Minister of Labour himself, made during the course of consideration of his estimates, that the Prime Minister promised that he would add, as and when circumstances warranted, new and additional programs to meet the position. Does anyone in this committee seriously believe this is the proper way to meet a problem which was serious in the wintertime, which is serious now and which, according to certain economists coming from the area from which the minister himself comes, may well reach such proportions that there will be one million people unemployed next winter.

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

Mr. Chevrier: Yes.

Mr. Ricard: How would he explain the fact that in Canada now there are more people employed than ever before?

Mr. Pickersgill: There are more people.

Mr. Chevrier: There may be more people employed but there are far more people unemployed today than there were last year or the year before.

Mr. Ricard: The population is increasing.

The Deputy Chairman: Order.

Mr. Chevrier: My hon. friend says that the population is increasing. But what is the government doing to meet the situation? The government is using half-way measures.

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

Mr. Chevrier: I will permit a question provided that extra time is granted to me.

Mr. Fulton: That is not what happened to me.

[Mr. Chevrier.]

The Deputy Chairman: Order. I am sorry but the Chair cannot allow the hon. member an extension of time if he permits a question.

Mr. Chevrier: In that case I will not allow a question Mr. Chairman, and I thank you.

I was saying that the program which has been announced by the Minister of Labour will not meet the situation as we on this side of the house understand it and as it is understood in the country. Let us see what some of these matters are concerned with. When the minister lost his temper in the house on an earlier occasion and I am not complaining of that fact—

Mr. Starr: You lose yours all the time.

Mr. Chevrier: It happens to me at times. I admit that fact at once. However, it is not a fact that I lose it all the time.

Mr. Starr: You harped on this one.

Mr. Chevrier: Yes, I harped on it with every reason because it was, I repeat, your responsibility and that of your colleagues to meet the situation and you called upon us to tell you what you should do.

Mr. Ricard: No.

Mr. Chevrier: Yes, you did. If you want me to do so, I will put on *Hansard* the intervention of the minister.

Mr. Ricard: Let us settle it.

Mr. Chevrier: As reported at page 1617 of *Hansard* of Tuesday, March 1, 1960, the minister stated:

> I have sat here hopefully and patiently waiting for some concrete suggestions as to how this problem should be met, but there has not been one.

And further on:

> I am sitting here waiting patiently for some concrete suggestions for immediate action and I will continue to sit here until I get some. Instead of making empty speeches about unemployment they should get down to concrete facts and treat the matter seriously. As members of this house they should put forward concrete suggestions.

We did that, Mr. Chairman. We put forward concrete suggestions. Concrete suggestions were put forward by the hon. member for Essex East, the hon. member for Bonavista-Twillingate, the Prime Minister and myself.

Some hon. Members: Oh, oh.

Mr. Pickersgill: You mean the next prime minister.

Mr. Chevrier: I amend that statement at once by saying that the next prime minister and myself put on the record some concrete proposals. What happened to those proposals? They were laughed at. I have not at my disposal the time in which to repeat those

suggestions but I should like to put half a dozen of them on the record and recall them to the attention of the minister.

To help overcome technological unemployment we advocated the expansion of vocational training in order to develop new skills among workers. We advocated a national advisory board on economic development, automation and unemployment. We advocated a special capital fund to encourage industrial development in the Atlantic provinces. We advocated again, as we did in 1958, a national science commission to ensure the most effective use of our national resources. We urged the government to plan now against the danger of cyclical unemployment when the economic cycle turns downward again.

We must learn a lot more, we said, about seasonal unemployment than we know now. We advocated a special unemployment committee to study and analyse the problem. We must have the best brains of government, business, trade unions, agriculture and universities set to work on the study of seasonal unemployment.

I could go on but time is of the essence. What were we told from the other side of the house? In fact, these suggestions were laughed at by hon. gentlemen who sit on the side of the Minister of Labour. What did the Minister of Finance say? On March 31 the Minister of Finance said that the problem of unemployment would melt with the snow. That was in effect what the Minister of Finance told us at that time when he spoke at a meeting in Toronto. He said that with the coming of spring and with the melting of the snow the problem of unemployment also would melt and disappear.

Then again we were given some more advice by the Minister of Finance. He found a new formula which was to be added to the "Do it now" program and that was "work and save". It is an easy thing to make that statement in speeches but when it comes to putting it into operation, particularly by those who have no work, as can be seen, it is of no practical use whatsoever.

The Leader of the Opposition put on *Hansard* some months ago the fact that there were three kinds of unemployment, namely cyclical or economic unemployment caused by the ups and downs of business; technological unemployment caused in large part by automation; and seasonal unemployment brought about by climatic conditions. I say to you, Mr. Chairman, that the government has addressed itself to only one of these categories of unemployment, namely that of a seasonal or climatic nature. The program which has been set down as a four-pronged program deals with but one of the categories.

As has already been stated, when we put questions to the minister on orders of the day, the replies have been either in the negative or evasive. I have asked him repeatedly about the statement and the recommendations made by the federation of reeves and mayors of Ontario who held their convention in Cornwall and who requested of him the immediate establishment of a study to consider the scope of unemployment in this country. I asked him that question on three different occasions and on three different occasions he evaded it. If that is the way in which to deal with questions in the House of Commons—

Mr. Starr: I rise on a question of privilege. I do not want to interrupt the hon. member for Laurier but may I say this? He says that I evaded the questions. If he would be honest with himself and with the house and if he looked up *Hansard* I think he will find I answered his question in the way in which he asked it. He asked whether I had received any representations and I said no; and to this day I have not received any representations from that body.

Mr. Chevrier: That is not a question of privilege, Mr. Chairman. It is true that the first question I asked was whether the minister had received representations. But then the next question I asked was whether he had seen this report in the press and he said yes, that he had read the press report. At that point he was interrupted by the hon. member for Bonavista-Twillingate who asked him whether it was not true that at one time he was a member of the federation himself and he said that he was the mayor of the city of Oshawa. What is the inference from that reply? If that is not replying evasively to a question, I do not know what it is; and where is the question of privilege in a matter of this kind? I say to the minister that the hon. member for Essex East is right and so am I when I state without equivocation that to many of these questions the answers have been in effect evasive.

It has been said repeatedly in the House of Commons and elsewhere that the situation with regard to unemployment is serious in the province of Quebec. I believe it is more serious there than it is in any other part of Canada perhaps with the exception of certain areas in the maritime provinces. There were members from the province of Quebec who spoke here on several occasions. They dealt with one small aspect, the textile industry—and an important one indeed to Quebec—of the unemployment problem. But did they deal with the serious situation in the province of Quebec? Have they made representations to the minister and to the government?

Mr. Ricard: Yes; we have made representations.

Mr. Chevrier: I am glad to hear that. It is apparent that those representations have had no effect. I read now from the brief which was presented by the present premier of the province of Quebec on the occasion of the dominion-provincial conference.

Mr. Pigeon: Mr. Lesage promised during the last election campaign to regulate the position. He said that was his own responsibility.

Mr. Chevrier: If my hon. friend will hold his seat I will tell him what the premier of the province of Quebec said and then I will read what the Minister of Labour said with respect to this matter, and then he will see and perhaps understand once and for all what the true position is. I have not time to read the whole of the brief dealing with unemployment but I will start with this:

> The province of Quebec and the rest of the country are faced at present with serious economic problems. Unemployment is one of the most serious of those problems . . .
>
> The fight against unemployment has become one of the main duties of the state. This responsibility belongs to all spheres of government under our federal system. In Quebec, we recognized recently that the province has its share of responsibility and we intend to face it without delay. This is not the time to describe the measures that we shall take, but it might be noted, in passing, that we intend to establish shortly a council of economic orientation to serve as the planning agency of our economic and industrial life and which will have under its jurisdiction a bureau of economic and scientific research as well as an industrial development bureau.

Mr. Ricard: That was long before Mr. Lesage—

Mr. Chevrier: Mr. Chairman, I have no objection to being interrupted, but if the hon. member wants to ask a question let him get off his seat, because there seems to be nothing in his head, as I intend to establish in a moment.

Mr. Ricard: I did get up a while ago and you refused my question.

Mr. Chevrier: I did not refuse you.

The Chairman: Order.

Mr. Chevrier: The final statement with respect to this position by the premier of the province of Quebec is as follows:

> We have recognized that there is—

Mr. Ricard: There is a strong—

Mr. Chevrier: Mr. Chairman, I cannot carry on unless there is order from the other side, and I hope you will try and establish it.

[Mr. Chevrier.]

The Chairman: I must ask hon. members to permit the hon. member for Laurier to continue.

Mr. Chevrier: The rest of this is as follows:

> We have recognized—

He is referring to the province of Quebec.

> —that there is a provincial responsibility in this field but we have never claimed that it was an exclusive responsibility.

Let us see what the Minister of Labour said when addressing this house on March 3, 1960, as reported on page 1699 of *Hansard*. He said:

> This present government is responsible for that problem—

He was referring to unemployment.

> —and has been responsible for it. I, as Minister of Labour, answer on behalf of the government in this respect.

I think that makes it quite clear, and I hope the hon. member who interrupted me a moment ago will once and for all in view of those two statements realize where the responsibility for this matter lies. We have never stated that it lay anywhere else, but hon. members on the other side continue to misstate the position.

(Translation):

Mr. Pigeon: May I point out that—

Mr. Chevrier: No. There is nothing whatsoever you may point out in the circumstances.

(Text):

Then there is this position.

Mr. Pigeon: You are afraid of it.

The Chairman: Order.

Mr. Chevrier: I am certainly not afraid of you because you are so useless and repetitious—

The Chairman: Order.

Mr. Chevrier: I am going to deal now with another matter, and that is a matter about which the hon. member for St. Hyacinthe-Bagot claims to be an expert—

Mr. Ricard: No, I never did.

Mr. Chevrier: —and that is the question of the textile industry in the province of Quebec. The textile industry in the province of Quebec is a very important one, important not only to that province but also to other parts of Canada. But, Mr. Chairman, if you had listened to the hon. member for St. Hyacinthe-Bagot the other day you would have thought that all the ills which had fallen upon that industry were the fault of the previous administration. All you would have to do to get a reply to what the hon. member stated is not to listen to me but to

have listened to the hon. member for Sherbrooke, who gave a complete reply to what this hon. gentleman has said with reference to that situation.

I would think that the hon. member for Sherbrooke, while we may not always agree with him, at least knows what he is talking about. He knows something about the textile industry because it means so much to Sherbrooke. I would like to put on record some of the things which were said by the hon. member for Sherbrooke, and I would ask the hon. member for St. Hyacinthe-Bagot to listen to this very carefully because it answers him completely. I am reading from page 3 of the translation section in *Hansard* of his speech which is to be found on page 7159 of *Hansard* for July 28, 1960. He said:

Some 20 years ago,—

I remind the house that that is when the previous Liberal administration was in office.

—Canadian textile products were getting about 75 per cent of the Canadian market. Today, they barely get 44 per cent of the national market.

The major cause of this situation is the quantity of foreign textiles flooding the Canadian market.

In 1959 United States mills sold in Canada six million more yards of cotton than did Canadian mills.

Besides, in that same year, 1959, Japanese textile exports increased by 56 per cent.

Now listen to this, Mr. Chairman. In the same city of Sherbrooke, on March 23, 1958, this is what the Prime Minister said about this problem:

Sherbrooke, a textile manufacturing city of 70,000, has been seriously hit by United States "dumping" of textiles and Mr. Diefenbaker made it plain this situation will not be permitted to continue.

"The textile industry... has not always been treated fairly in the past", he declared in a searching denunciation of the former Liberal government. "Its requests for better treatment have much too long been neglected".

Mr. Chairman, in the words of the hon. member for Sherbrooke, this is what the situation is today in 1960, much worse than it ever was before.

I ask my distinguished friend from Stormont who sits away down at the other end whether he remembers what the Prime Minister said in his own city about the textile industry; how he would do away with dumping; how he would move quickly to get rid of dumping of textile products on the Canadian market in the same way as the government had succeeded in getting rid of the dumping of agricultural products. And what is the position in that unfortunate city where its cotton industry has had three mills close down and 2,500 people put out of work? That is also the position to a large extent in certain parts of the province of Quebec, for instance in Valleyfield where the textile industry has suffered a tremendous drop in employment and the sales of its products.

I could go on and refer to what is happening in the city of Montreal; but no. Hon. members from the province of Quebec will rise in their places and say that this is a wonderful government, that it is doing great things. Still the number of unemployed mount, notwithstanding the fact that we find ourselves in the month of July when the problem should be disappearing entirely.

I have stated this before and it is worth repeating, because there are some hon. members of this house who understand nothing unless it is repeated. It has been said in this house that things were much worse during the days of the Liberal regime, but I would remind hon. members of this house of the program which was tabled in the house in April, 1945 by the then minister of reconstruction and supply, the Right Hon. Mr. Howe who was laughed at when I mentioned his name the other evening when I said that many of those on the other side of the house would like to have him today to direct the economy.

He tabled a program of eight points dealing with the initial period of reconstruction in the post-war era. What was the result? I should like the hon. member from St. Hyacinthe-Bagot, who made all sorts of affirmations about what had happened under the previous regime, to listen to this, because these are figures taken from the dominion bureau of statistics for the period 1946 to 1956, a period of little more than 10 years. During those 11 years the percentage of the labour force without jobs and seeking work was at an average of 2.8 per year when the experts say that 3 per cent is the equivalent of full employment. That was the situation from 1946 to 1956.

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Chevrier: May I be allowed to continue?

The Chairman: Does the committee consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Starr: That will be all right.

Mr. Chevrier: I thank the Minister of Labour and those who sit in the committee for their kindness in allowing me to continue. It gives me the opportunity to put on record that between 1946 and 1956 the average percentage of the labour force without jobs was 2.8 per cent as I said, whereas

according to the experts 3 per cent of the labour force is the equivalent of full employment.

Mr. Speakman: Would the hon. gentleman permit a question. Would the hon. member tell us during that 11-year period what was the highest percentage in any one year?

Mr. Chevrier: Yes, I have it here and I will put it on the record. Here are the figures:

Year	Labour force	Proportion without work
1946	4.8 million	2.9 per cent
1947	4.9 "	2 " "
1948	4.9 "	2 " "
1949	5 "	2.6 " "
1950	5.1 "	3.2 " "
1951	5.2 "	2 " "
1952	5.3 "	2.4 " "
1953	5.3 "	2.5 " "

I cannot go on indefinitely—

An hon. Member: There are only two more.

Mr. MacInnis: Would the hon. gentleman permit a question? The house has made time available to the hon. member, and surely he can answer one question.

Mr. Chevrier: Perhaps the hon. member would allow me to put the rest of the table on the record and I will answer the question then if I can.

Year	Labour force	Proportion without work
1954	5.4 million	4.2 per cent
1955	5.5 "	4.1 " "
1956	5.7 "	3.1 " "
1957	6 "	4.3 " "
1958	6.1 "	6.6 " "
1959	6.2 "	5.6 " "

In 1960 the percentage rose almost to 9 per cent—8.6 per cent, I think, was the figure given by the minister's office.

Mr. Starr: Were these figures for the same month of each of those years and, if so, what was the month?

Mr. Chevrier: This was the average for the year. I believe the minister asked me that question before.

Mr. Starr: No, I did not.

Mr. Chevrier: Then I am sorry.

Mr. MacInnis: I wonder if the hon. member would now explain to the committee, if he can, the effects of the war and the Korean conflict on the figures in that period between 1946 and 1956.

Mr. Chevrier: I will deal with both. The last figure the hon. member mentioned was 1956 and we were far away then from either the Korean or world war II. Now let me deal with the first part of the question. The right hon. gentleman who headed the department of reconstruction and supply put a plan on record. He tabled it in this house and the government of the day followed that plan, and because of that plan the favourable position which I have indicated here in these tables taken from the dominion bureau of statistics came about; the figures indicate what happened, as a result, during that interval.

What I am complaining about now is that there is no plan, not even a halfhearted one, being followed by the present government. If there was such a plan, or if there was a committee set up such as we had at one time to deal with this problem, then perhaps the government would not be facing criticism such as has been made on this side of the house with regard to the weak attempt—I say this with respect to the minister and not as a personal attack—to deal with what is, after defence, Canada's No. 1 problem.

Mr. MacInnis: The hon. gentleman has failed to answer the question I put to him and he made reference to the plan which was put forward. Would he now explain to the committee the detriment to the maritime area of any plans put forward by Mr. C. D. Howe?

Mr. Chevrier: That plan was put into effect, and I have no doubt that it was of benefit to all parts of the economy of Canada.

Mr. MacInnis: That is not so.

Mr. Chevrier: The hon. member keeps interrupting. If he does not want to listen to what I have to say he should not be asking questions. I am attempting to say that this plan was of benefit to the whole economy of Canada and I have no doubt that that is a fact, and if the right hon. gentleman who was responsible for putting that plan into effect had not been at the helm in those days the situation in the area from which the hon. member comes would be a great deal worse than it is today.

Mr. MacInnis: That would take a lot of explaining to the servicemen of the last war.

An hon. Member: Oh, sit down.

Mr. Chevrier: What have we instead? Instead we have the remedies given by the minister a moment ago which can be summed up in two words; first, the "Do it now" program we had when the winter works program was originally announced and then, later, the program announced by the Minister of Finance to fight inflation, namely "work and save". Those were brave words as were the words of the Prime Minister which were used on so many occasions by the right hon. gentleman and which hon. members know so well, though the hon. member for Brome-Missisquoi does not seem too sure of them.

"Work and Save" is a good slogan providing we have the kind of economy where it is possible to work and save, but when there were 800,000 people out of work and seeking jobs at the beginning of the year and 300,000 now, it is not the answer to this problem. The answer to this problem is a constructive approach, and a constructive approach has not been forthcoming from the Minister of Labour. Until one has been submitted which is deserving of serious study and consideration, I say emphatically that the difficulty in which we find ourselves today will not be solved.

Mr. Ricard: Mr. Chairman, a few moments ago the hon. member for Laurier accused me of making statements in this chamber that were contrary to the facts. I said last evening that 23 textile mills in the province of Quebec closed their doors during the course of the Liberal administration. In order to keep the record straight I should like to place on the record the names of those firms which had to close their doors between the years 1951 and 1957. I do this for the information of the hon. member for Laurier who seems to doubt what I said in this regard. When he said what he did I think he had something else in mind concerning which were I to give proof in this chamber it would put in a shameful light the hon. member and his colleagues in the Liberal party. The list to which I referred is as follows:

Company	Approximate closing date
Actonvale Silk Mills	1952
British-American Silk Mills	1954
Canadian Silk Textiles Registered	1953
Classon Mills Limited	1956
Demetre Sault & Ciriez (Canada) Limited	1956
Eastern Woollen & Worsted Mills	1952 or 1953
Franco-Canadian Dyers Limited	1956
International Worsted Mills Inc.	1953
Kenmar Textiles	1955
La Filature de Saguenay Limitee	1954
Laurentian Textile Company	1958

Mr. Pickersgill: 1958?

Mr. Ricard: I continue:

Company	Approximate closing date
Mattawin Textiles Limited	1957
Roby Worsteds Limited	1952
Rouville Textiles Company	1955
Seneca Weavers Limited	1952
St. Andrews Woollen Mills Limited	1953
St. Johns Textile Mills Limited	1956
Soieries Boell Limited	1954
Sutton Silk Mills Limited	1952
Valleyfield Silk Mills Limited	1953
Wesley Mason Mills (Drummondville, Quebec)	1954
Wesley Mason Mills Limited (Cap-de-la-Madeleine, Quebec)	1953
Wolsey of Canada Limited	1954

That information was drawn from material published by the Primary Textiles Institute Limited.

Furthermore, I should like to ask the hon. member which minister in the last Liberal government said that the textile industry in the province of Quebec was heading toward its death. That was a former Liberal minister. Not only was he satisfied at the decline of the industry in that province but he longed to see the industry in that province wiped out.

Mr. Deschatelets: Would the hon. member permit a question?

Mr. Ricard: No. I will ask the hon. member to wait until I am finished. I will do the same thing to him that the hon. member for Laurier did to me.

Mr. Pickersgill: You will soon be finished.

Mr. Ricard: I wish to remind the committee that never in the history of Canada were the average weekly earnings of workers as high as under a Conservative government.

Mr. Chevrier: And employment so low.

Mr. Ricard: The Canadian worker enjoys an average salary of $75 a week under this government, a peak of achievement never reached by Canadian wage earners under a Liberal government. It took the Conservative government to ensure that Canadian workers would earn that much money.

As I said yesterday, it requires the effort of every Canadian citizen to create employment in our country. The creation of employment is not the sole responsibility of the federal government but is a responsibility shared by all Canadian citizens. Each of us must do everything he can to ensure the creation of employment in this promising young land of ours for the young fellows of today who will be the leading men of tomorrow in our country.

Because of the farsightedness of Canadian engineers and industrialists we have accomplished things in our country that are the pride of all Canadians. In Drummondville J. A. Gosselin Limited Company developed an apparatus used in the dyeing process in the textile industry, some kind of gadget never seen before. It has been exported to England where it has been greeted enthusiastically. This shows what our Canadian engineers and industrialists can do. I appeal to all Canadians to stop weeping about temporary conditions and to join together in a united effort to build up Canada better than it was under Liberal organization.

(Translation):

Mr. Deschatelets: Would the hon. member allow me a question?

Mr. Ricard: Certainly.

Mr. Deschatelets: The hon. member mentioned earlier that a minister in the previous administration had made a certain statement. Could he give us the name of that minister, and also the reference in *Hansard* of the said statement?

Mr. Valade: Do you know him?

Mr. Ricard: I feel that, as usual, the hon. member for Maisonneuve-Rosemont has not been listening to my remarks, because I, myself, asked who had made the statement. Since I was inquiring about it myself, I am surely not in a position to inform the hon. member. However, I would be very glad to get that information, because I know that such a statement was made.

Mr. Deschatelets: You are more ridiculous than ever.

Mr. Ricard: Apparently, the hon. member has been taking a look at himself in the mirror.

(Text):

Mr. Pickersgill: Who has the thimble?

Mr. Argue: Mr. Chairman, although this debate is taking place in the dying days of this sesion it is nevertheless an exceedingly important one. Recent statistics issued by the department show that unemployment is still a serious problem in Canada.

I have in my hands statistics of unplaced applicants as a percentage of the labour force. These show that in June this year there were 401,196 unplaced applicants. I have the figures for the same month back to 1956. In the year before this government took office, in this month, there were 191,000 unemployed in this category. In 1957, the next year, when the Conservative government had handled the administration of this country for half a year there were 270,000. In 1958 in the same month it was up to 526,000. In 1959 it was 320,000 and this year it is 401,000. Under this administration the government has been able to accomplish nothing towards reducing the general unemployment picture.

This government took office in June, 1957 and its administration since has been notable throughout for the widespread unemployment that has existed in the country. In case it might be said that the figures for June are unrepresentative, I have figures in my hand for all of the months of the same year and they show the same general trend. In January, 1957 the number of unemployed amounted to 526,000; in the same month in 1958, 816,000; in January of 1959, 775,000; and in January of this year, 772,000.

I think this is a disgrace to Canada. I do not understand why the minister in introducing his estimates did not deal with the central problem of unemployment. Apparently the government does not think that the problem is really important. It has not attached to the problem a high priority. The government has come forward with no plan that I know of to deal with this national emergency, for that is exactly what it is.

Widespread unemployment is surely a blot on our country, not only because of the hardship to the people who are unemployed but because of the general reduction in the production of our nation and because of the great loss of material wealth. When we have widespread unemployment as we have today I would estimate that the country is losing at the very minimum $2 billion of wealth production a year. The government which has been in office for three years has seen our country forgo the production of at least $6 billion of wealth because of unemployment. That is a very high price to pay for a Tory administration which is unconcerned and certainly unable to deal with this great problem.

Not only have the minister and the government been unwilling to present a program to deal with the problem but the government has not been able to forecast that conditions are going to improve. As a matter of fact, there are a great many forecasts from officials of the departments by way of speeches that have been made which indicate that within the next year or two we may face a much deeper recession than we now have. Instead of the government coming forward with a bold program we hear rumours of the government pulling a snap election to avoid having to call an election when we are in an even deeper recession than the current one.

The Minister of Labour is in a difficult position. He has to take more of the responsibility for this situation than other members of the government because he is the minister. I do not want to be unduly harsh on the minister but the government has failed the Canadian people. It has failed to put forward a policy to solve the unemployment problem. As a matter of fact, statistics released from government departments suggest that conditions in recent days are getting worse. I have in my hand the April index of industrial production found in the D.B.S. daily bulletin of June 29 in which there is the following:

> Canada's seasonally adjusted index of industrial production in April declined 2.4 per cent to 167.3 from the March level of 171.4.

An important index of economic activity in the country, the industrial index, shows a decline of 2.4 per cent. Another important

index is the gross national product, and in the D.B.S. daily bulletin for June 22 I find the following:

> The advance in gross national product moderated in the first quarter of 1960. Apart from the third quarter of last year, the increase of 1 per cent was the smallest quarter to quarter gain in the value of production since the expansion began following recovery from the 1957-58 recession.

There is little indication there that we are getting out of the woods. Another economic index that is considered to be an important one in showing the buoyancy of our economy or otherwise is the index of new motor vehicle sales. Total sales of new passenger and commercial vehicles in April declined 2.7 per cent to 57,773 units from 59,360 in the corresponding month last year, while sales in the January-April period rose 1.9 per cent to 180,702 units from 177,334 a year ago. The retail value of that month's sales fell 4.2 per cent to $172 million from $179 million.

The index of motor vehicle sales indicates not only a general recession in the economy but shows the difficulty experienced in the sales of automobiles. Information is published by D.B.S. as to starts and completions of new dwellings from time to time, and the latest daily bulletin, that of June 28, states as follows:

> Starts on the construction of new dwelling units in urban centres of 5,000 population and over in May fell to 6,913 from 11,151 in the same month last year, according to advance D.B.S. figures.

This is another indication of a depressed economy. Another index that is considered an important one is that showing the number of railway car loadings. The D.B.S. daily bulletin of June 30 states as follows:

> Cars of railway revenue freight loaded on lines in Canada in the week ended June 21 numbered 78,867, slightly below last year's corresponding total of 79,233 cars.

Department store sales in May decreased slightly by .7 per cent to an estimated $116 million from $117 million in the corresponding 1959 month while the January to May total increased 1.7 per cent to $514 million from $505 million a year ago. The bulletin showing chain store sales indicates that chain store sales in May declined 4.3 per cent to $269 million from $281 million in the corresponding month last year.

All of these indications of economic conditions in the country show not only that we are in trouble but that conditions have been worsening. The widespread unemployment situation is having other adverse effects. When the government took office there was $852,729,000 in the unemployment insurance fund as of June 30, 1957; after this government had been in office for a period of just 12 months, the money in the unemployment insurance fund had dropped to $644.5 million or a loss in the first year of this administration of $208 million. After this administration had been in office a further year, the unemployment insurance fund had dropped to $434 million, a further drop of $210 million. On June 30 of this year, in spite of an increase in the amount of contributions made to the fund, the fund had dropped another $138 million to $296 million.

I should like the Minister of Labour to tell us how long, in his opinion, it is going to be until the unemployment insurance fund is bankrupt, and the government either has to borrow money or get money from the general revenues to replenish the fund or the people on unemployment will be denied benefits. The unemployment insurance fund is going into bankruptcy at a very alarming rate. Still the minister, in introducing his estimates, gave this committee and the country no hope that the government has a policy or a policy to solve unemployment. Members of this government support the present capitalist system. They like to call it a free enterprise system. The members of the Liberal party support that kind of system. Whether we support the present economic order as it exists, we support our democratic processes and our free parliamentary institutions. I think the communists must be smiling in the Kremlin when they see a nation like ours, perhaps with more wealth in relation to our population than any other nation in the world, hobbling along on one leg.

This government lauds the free enterprise system. It lauds its own efforts, and yet there are half a million people unemployed while the government has no policy. I think in this day and age, when we are competing in an ideological sense with the communist world, this government should be exceedingly concerned about doing everything possible to make our economy one of full employment, full production and a high standard of living. Yet, in my opinion, the government plays into the hands of the communists by allowing our economic system to hobble along while losing $2 billion worth of production a year. In the interest of strengthening our society, in the interest of the welfare of all Canadians, I hope the government will soon come forward with a positive policy for dealing with unemployment.

There was an announcement made in the house the other day that the government was going to appoint a royal commission to inquire into the automobile industry in our country. This was a welcome announcement. I hope that action to improve the chances of employment in this industry will not have to wait the royal commission report which may

take years in its completion. Before anyone may misunderstand what I am about to say, I want to say that we in the C.C.F. party are opposed to tariffs being used as a method of combatting unemployment. We feel that the answer to unemployment in this and other industries is not to resort to the use of tariffs. There may be room for some planning, for some move toward the integration of the automobile industry of this continent.

We have in Canada automobile companies which are subsidiaries of United States parent corporations. In Canada our companies are asked, in the main, to produce exactly the same models as are produced in the United States. It would seem to me a much more sensible arrangement if in Canada our industry could produce fewer models and produce a more standard model which could be produced for the whole of North America. This kind of co-operation would remove the need for tariff protection and would bring about efficiency in the industry. I would hope it would go a long distance toward increasing employment in that industry. I only hope the government will not fold its hands and do nothing, waiting for years until the royal commission may make its report. May I say that I welcome the announcement and I hope the commission will be appointed immediately; that it can undertake its work within the next few weeks and that its report will be received at the earliest possible date.

Unemployment is a major problem in our country. As has been suggested on former occasions, this is the time for action by the government, this is the time to call a conference to consider this great national problem which should include within it representatives of provincial governments, municipalities, management and labour. It would be a conference to consider the economic welfare of the Canadian nation. This government, in this kind of conference, should not take the same attitude it took at the federal-provincial conference which just concluded. This kind of conference would require leadership. The last conference on federal-provincial fiscal relations found this government empty-handed; it went in without proposals. They said, this is just a talkfest and we will hear from the premier of each of the provinces. The suggested conference is the kind before which the government should place well defined proposals which would lead, when implemented, to the removal of unemployment in our country.

I have a number of suggestions I should like to make, Mr. Chairman. I think now is the time for a tremendous increase in investment. I should like to see a national investment board or a national investment corporation which would have available to it at least a billion dollars to be used for investment in industries, in roads, in schools, in hospitals, in housing, in works of all kinds that would lead to a reduction in unemployment. The government takes the opposite view. The government says we are following a tight money policy; we have a high interest policy. Instead of making funds readily available, our policy has been to curtail funds in the hope that this would reduce the inflationary trend. I believe the government has to change its course completely, and that there should be available to the provinces, to municipalities and to industries, large sums of money which would enable this kind of economic expansion.

Second, I would suggest that now is the time for this government to consider special projects in its relationship with the provinces. I do not know why the government is waiting to go forward with a second trans-Canada highway. This surely is a place in which there is a need for additional services. Here is a place in which more people can be employed than we have employed at the present time. I would suggest that in addition to a second trans-Canada highway there should be an over-all road policy whereby federal money will go to assist in the construction of the main east-west and north-south roads in our country.

I would suggest that more money should be made available for hospital construction and that the Minister of Public Works should make available for house construction in this country the same funds that were made available last year. In other words, there should be no reduction in the funds for home building.

Third, I would suggest that to improve the possibility of employment in winter there may be need for special incentive, such as special tax incentive or perhaps special depreciation incentive in order to encourage industries to expand and to provide employment in the winter months.

As a fourth necessary measure to help to solve unemployment in this country I would suggest there is the whole question of a great expansion in Canadian trade. This government has tied its policy to GATT. This government has failed to use new methods in order to increase our international trade. We have a Canadian-Soviet trade agreement. There is no indication, so far as I know, that the Canadian government is going to take advantage of the fact that the soviet government has agreed to buy $2 worth of goods in our country for each $1 worth we buy in that nation. I suggest that here is a place for government planning and action. The government should take steps to buy from the Soviet union a larger quantity of

goods than we have bought in the past in order that we can expand twofold our exports to that country.

I would suggest further that now is the time for the government to consider steps to increase the incomes of Canadians, especially the incomes of Canadians whose incomes are low. If the government would bring about an increase in the old age pension from $55 to $75 a month I suggest that that injection of additional purchasing power in the hands of the elderly people in this country would be of assistance in increasing the demand for goods, thus resulting in a subsequent increase in employment.

I represent an agricultural area. The agricultural producers of Canada have often been criticized. However, there is one thing for which they have never been criticized, namely hoarding their money. If the government would do something to bolster farm income they can be assured that that income would find its way into the economy of our country and would be used to purchase farm implements, repairs, lumber and the other goods produced in our nation.

I would suggest to the Minister of Labour that he use his influence in the cabinet in order to provide an increase in the incomes of the western grain producers. I suggest that $100 million by way of deficiency payments would be an important contribution toward greater employment in our country.

Mr. Martin (Essex East): They ought at least to see the farmers.

Mr. Argue: The hon. member for Essex East says that they should see the farmers. Of course they should see them. I want to congratulate the Minister of Labour for seeing the automobile workers. The automobile workers were given a hearing and they obtained a royal commission but the agricultural producers on the prairies can no longer get even so much as a hearing.

Mr. Pickersgill: Or an answer to their letters.

Mr. Starr: We are on labour estimates, not on agriculture estimates.

Mr. Argue: This is a great economic problem facing the Canadian nation. We are in a deep economic crisis which has resulted in widespread unemployment. We in this group—those of us in the opposition—are not satisfied with a country that has at this time a half a million unemployed persons and a government that does not take the problem seriously. I suggest that before this debate is concluded the Minister of Labour should be frank with the committee and should state to the committee the proposals and the program of the government to deal with this problem.

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

Mr. Argue: Yes.

Mr. Valade: Will the hon. member give his reference when he spoke about the increase in retail sales?

Mr. Argue: The increase in which?

Mr. Valade: The increase in retail sales. Will the hon. member give the source of his information?

Mr. Argue: Those figures are all taken from the dominion bureau of statistics daily bulletin. The figures for department store sales were taken from the D.B.S. daily bulletin of July 7 and those for chain store sales were taken from the D.B.S. daily bulletin of July 8.

Mr. Valade: May I be permitted to ask, as a supplementary question, whether the hon. gentleman is relying on the *Financial Post* as a substantial and reliable source of information for these figures on retail store sales?

Mr. Argue: Not at all.

Mr. Campbell (Stormont): I should like to endeavour to clarify several misunderstandings so that we can get down to a serious discussion of a serious problem. Time and time again I have heard comment on or reference to—in fact I have heard it ad nauseam—the Prime Minister's statement: "As long as I am Prime Minister no one will suffer from unemployment". I want to make it clear that those are the exact words he used but that he did not at any time state that there would be no unemployment if he were prime minister. Obviously the only way in which to guarantee that there would be no unemployment in any country is to reduce that country to an anthill or a slave state.

Incidentally, I should like to comment that some few weeks ago I was talking to one of the Victorian Order nurses in Cornwall who has done a magnificent job there over many years. She mentioned to me that, as is obvious, when there is unemployment there is great demoralization of the people concerned but that, nevertheless, she had noticed that there was nothing like the absolute destitution—and mind you, it was bad enough—that she had experienced in the depression when she had previously been there, although I certainly do not wish to minimize the seriousness of it or the plight of those who are without jobs.

However, I think it is perfectly obvious to any reasonable and sincere person that the Prime Minister, in saying what he was saying at that time and what he has said on several occasions, was announcing his own social and political philosophy, namely

that personal and human rights were to him far more important than property rights. I think it is because of that fact that he has done such things as raising the old age pension and extending the period of unemployment insurance benefits. On other occasions the Prime Minister has stated that just as soon as our productivity would increase sufficiently to warrant further relief to our elderly people, something would be done to relieve them. Since our productivity has increased—and the Leader of the Opposition has admitted this on more than one occasion—I feel quite convinced that something will be done before long to alleviate and assist the position of our elderly people.

The hon. member for Laurier several weeks ago in this house brought to our attention the critical unemployment situation in our respective hometown of Cornwall. I must say in all fairness that he did not exaggerate the problem which exists there and I must also thank him for his assistance although I doubt if it was given entirely on philanthropic grounds.

Mr. Chevrier: It was, I can assure the hon. member.

Mr. Campbell (Stormont): Thank you. However, he mentioned the problem in Cornwall was acute, and I believe he also mentioned the discontinuance of the seaway construction and the closing down of Canada Cottons in that area.

That is true, but there are other factors which he did not mention. He did not mention, for instance, that the textile industry, especially in that area, had been in grave difficulties for over 30 years. He did not mention that this government has done more than any other previous government to alleviate the problems of the textile industry despite the fact that its hands were tied by the previous government, by GATT and by other international arrangements. Also he did not mention that a great many people had been thrown out of work in Cornwall by the curtailment of operations on the Cornwall canal, and perhaps many of his good friends are in that category. He did not mention the difficulties of the people of Cornwall in attracting new industry to the area, despite their great initiative in forming the industrial development corporation which he mentioned to take over the property of Canadian Cottons and provide floor space to attract new industry at very advantageous rates. He did not mention, for an obvious reason, that he more than anyone, the former minister of transport and head of the seaway authority, is responsible for the Cornwall canal now being on the United States side. I do not think I need to say anything further about that at this time.

Since the last war our country has been confronted with the unprecedented situation that although our production, exports, and incomes have all been increasing, unemployment has also been increasing. This happened after the initial post-war years when everything across Canada was booming and we could sell everything we produced to the war devastated countries of the world before they were able to restore their own industrial establishments. But since then we have had this peculiar situation of increasing production, increasing income and so on, yet at the same time increasing unemployment. This so-called structural unemployment is doubtless partly due to automation, or to what is euphemistically called the rationalization of industry.

I believe that much can be done by the judicious manipulation of tariffs to increase the degree of processing of raw materials for export and to expand secondary industry. Secondary industry, however, is not a complete answer. Howard Smith Paper Mills, in my own home town of Cornwall, has spent some $12 million on a huge new machine which will tremendously increase its production of fine paper, but will not substantially increase employment, although those who might otherwise be discharged are retaining their jobs.

Nor are massive public works any final solution as they were in the old days of horse-scrapers and wheelbarrows. The former minister of public works, Mr. Winters, once stated that the Canso causeway, which cost $23 million, employed only about 150 men at the height of construction.

The United States writer Galbraith, in a book called "The Affluent Society", contends that increasing automation will produce more consumer goods than we could possibly use. We all want two cars in our garage, but a third car would be more trouble than it is worth. Therefore, he contends, we must concentrate on producing more social capital, such things as more schools, hospitals, libraries, concert halls, parks, conservation, and the elimination of air and water pollution. In other words, we must emphasize those things that make life more liveable. The recent dominion-provincial fiscal conferences should result in more money being made available to the provinces and municipalities for the kind of local public works that will make more jobs and make our towns and cities better places in which to live.

Although the opposition on a previous occasion in this house when this matter was under discussion made about 25 specious suggestions dealing with unemployment, they all boil down to additional training facilities and the appointment of various committees to study the problem. The Senate, as we know, has recently set up a committee under Professor John Deutsch of Queen's University to make exhaustive inquiries into this problem, and we also know, as mentioned by the preceding speaker, that the Prime Minister has set up a royal commission to look into the problem of the automobile industry.

The Minister of Labour has also announced that the federal government, he understands, will pay 75 per cent of the cost of training programs undertaken by any province. Although trades training might assist younger and more mobile cotton workers in Cornwall to find employment elsewhere, I doubt if any industry is prevented from expansion by the absence of skilled help. A determined industry can always hire, train, or import any trained skills required. Mind you, I think the question of vocational training is very important, especially in some areas; but I do not think in itself it will do much to increase the over-all number of jobs available.

Although it is a dull subject which even our grandfathers worried about, I believe that tariff changes are fundamental to increasing employment. Shortly after the last war we had unlimited markets until the war-ravaged countries could reconstruct their industrial establishments. The dilemma which now confronts any federal government is that certain provinces, particularly the central and industrial ones, want the federal government to raise tariffs to protect our automobile, textile and other industries while the rest of Canada wants it to lower tariffs to help sell our raw materials, such as wheat, minerals, timber, and fish. It is the dilemma of conflicting interests in such a diverse and wide country as Canada with many divergent interests and industries. I think it is obvious that we must increase tariffs and quotas against countries like the United States, where we cannot increase our markets, and at the same time decrease them against other countries such as Japan, the British West Indies, perhaps parts of South Africa; in other words, any countries where we can sell more raw materials and more of our other products.

For instance, the United States only purchases from us what she cannot produce at home or buy cheaper elsewhere. That is a fundamental and very obvious fact. Even if we did raise obstacles to the sale of its refrigerators, magazines, et cetera, in Canada, it would not cut the size of the Chicago *Tribune* in half just to spite Canada, especially when the publishers of this newspaper themselves own one of the largest Canadian paper mills.

I think it is fundamental first of all to appreciate that although we need not fear economic reprisals from the United States, we must realize that whenever it becomes cheaper to substitute southern pine for Canadian spruce in the manufacture of newsprint the United States will have no compunction in doing so. I think the uranium industry knows this only too well.

On the other hand, Japan could utilize all the raw materials that this country could produce, provided that she could sell enough to us to pay for it. The economy of the West Indies federation is complementary to, rather than competitive with, ours and could provide us with a much needed tropic hinterland. If we were really serious about finding markets for our minerals, fish, timber, wheat, et cetera, no Canadian would go to Florida when he could go to Bermuda nor would we buy a single orange from California when they were available from Jamaica

A vast potential market also awaits us in South America's emerging middle classes. Latin Americans are very conscious that Canada is partly a Latin country and the legacy of goodwill towards us created by generations of devoted French Canadian missionaries in those countries should not be neglected.

I believe the answer to our unemployment lies in a drastic revision of our whole tariff structure with whatever changes in GATT and other international commitments may be required. The only alternative, although one which is in contradiction with that idea to some extent, would be to join the European free trade area or some broader Atlantic alliance. If we do neither of these things Canada faces increasing economic integration and eventually political integration with the United States. Certainly the people of Stormont, many of whose ancestors have, like my own, fought the country to our south on three different occasions to preserve Canada's independence, would never consent to our country becoming another Alaska and the greatest objection would doubtless arise from our citizens of French Canadian ancestry who would face not only assimilation but cultural annihilation.

Mr. Chevrier: I am sure the hon. member for Stormont will not resent my taking a moment to deal with three of the matters he has raised. I assure him that any intervention I make in connection with the constituency of Stormont is, as I said the other evening, in order to be of assistance to that

constituency which I represented in the house for so many years. But I do wish to bring to his attention two or three points in connection with the matter the hon. member raised.

The first is that while it is true that the textile industry has been in difficulties for some years it was the present administration which promised to alter that situation, adverse as it was to the textile industry; it was the Prime Minister who made the statement in Cornwall that he would do away with the dumping of foreign goods which was taking place in the same manner as he had succeeded in dealing with the dumping of agricultural products. There can be no doubt about that. Notwithstanding that statement, the Canada mill, the Dundas mill and Glengarry mill closed down, putting out of work 2,500 people since 1957. I thought I should make that position clear.

The hon. member raised repeatedly the question of the canal being on the United States side of the line and said that this was responsible for the loss of jobs. There is one thing which should never be forgotten and it is that there were three international agreements dealing with the St. Lawrence seaway, the first in 1932 which provided for a canal in Canada and a canal in the United States—the Canadian canal under that agreement was at Crysler island and was, therefore, not in the constituency of Stormont—the second in 1941 when there was an agreement which provided for the two canals being on the United States side of the line and, third, the application which was made in 1952 and which resulted in one canal in Canada at Iroquois and the other canal at Barnhart island opposite Cornwall.

The point I wish to make is this: appreciating and anticipating that position, a plan was prepared by the Department of Transport to look after those people who might be put out of work as a result, and the hon. member has never seen me rise here to contest that plan, because as far as I know the Minister of Transport has put that plan into effect. It has not given jobs to everybody but, to use the words of the Minister of Transport, it has come very close to doing so.

Finally, I wish to say that the position on the Cornwall canal from the point of view of beauty and charm is, as the hon. member for Stormont knows in a horrible condition. I say with deference that were I on the other side of the house I would not permit that situation to continue for one moment because I was the one who as president of the crown corporation promised the people in the Iroquois and Cornwall areas that this condition would not exist, and I would carry out that undertaking. If the member for Stormont would make representations to the Minister of Transport I am sure he would remedy the terrible situation which now exists along the banks of the Cornwall canal and, in doing so, give the people of that area a great deal more work than they have today.

Mr. Campbell (Stormont): Perhaps I could ask the hon. gentleman one or two questions with regard to what he just said. Did the former minister of transport contemplate two parallel seaways existing at one and the same time while the traffic pattern had not been formed? We still do not know what the eventual traffic pattern will be in this area. Further, does the former minister think—

The Deputy Chairman: Order. Will the hon. member please take his seat while the chairman is standing? We are discussing labour items and not the question of where certain canals should go. I recognize the hon. member for Burin-Burgeo.

Mr. Carter: Mr. Chairman, there is no doubt that unemployment is the most difficult and serious problem facing our country at this time. The fact that there are 80,000 people more out of work this year than were out of work at this time last year indicates that the problem is getting worse. The seriousness of the situation is underlined by the fact that this high degree of unemployment is being experienced at a time of year when job opportunities should be at their peak, when we are enjoying relative prosperity and a stable economy.

In my own province of Newfoundland there are 1,500 more people out of work now than there were last year at this time, and that is a serious handicap to the economy of our province where unemployment in peak periods is as high as one third of the labour force.

Whenever I think about this problem of unemployment I am haunted by the thought that should war break out tomorrow this problem would disappear. In a short space of time money and credit would be made available, our resources would be utilized and even though their labour would be directed into unproductive channels, men would be put to work. Employment would increase and instead of worrying about unemployment we would probably then be worrying about inflation. But war would be only a temporary solution. It would afford only temporary relief and it would be achieved at a tremendous cost of human sacrifice, sorrow and suffering, together with a great destruction of wealth and a vast increase in our burden of debt. With the return of

peace there would be a short period of reconstruction and rebuilding, repairing the devastation, and then again we would be faced with unemployment.

That has been the pattern that has repeated itself over and over again during the past 50 years. Short of war, everyone seems to have his own particular favourite solution to this problem. Organized labour for many years has striven to at least alleviate the unemployment problem by introducing shorter working hours, a shorter work week and by urging retirement at age 65. The present government as its remedy has put forward a program of public works, of winter works projects, of housing construction and of vocational training and education.

Of all the elements in this program education is the only one which makes any permanent contribution. I say that because we know from an analysis of the problem that the greater percentage of the unemployed are people with little education and no skills. I welcome the extension of the program of vocational training which the minister has put forward. I should like to suggest to him that a special provision be made in this program for the training of cooks. There is a shortage of cooks, I believe, all across the country. There is certainly a shortage of them in my own province. We need them for our ships and lumber camps.

As for the other parts of the minister's program, each one of them creates just about as big a problem as it solves. The trouble with public works is that they do not produce any wealth. While they may provide temporary employment they also result in a permanent increase in fixed costs. The same is true of the winter works program. Our chief complaint in that connection relates to the basis on which the federal contribution is made. An analysis of the figures put on the record earlier this year indicates that the largest proportion of federal funds goes to the richer provinces where unemployment is least severe and the poorer provinces which suffer the greatest hardship and the highest proportion of unemployment get the smallest share of these funds. If the minister is going to introduce this program this year I would suggest that a new formula be evolved which would allow these funds to be distributed on the basis of need rather than on a mathematical basis of 50 per cent of shared costs.

The housing program, too, has its disadvantages. It is not good for the housing industry to be turning the housing tap on and off for the purpose of adjusting our unemployment problems. Under those conditions the industry is diverted from its true purpose. When it runs in fits and starts it cannot do adequate planning. In many cases it also results in the construction of houses which remain unsold.

For those of us who subscribe to a free economy it must be evident that there is something wrong with our free enterprise system when we have unemployment of this magnitude. Man was created with certain basic needs of food, clothing and shelter. Free enterprise exists to supply those needs. When we consider that two thirds of the world's population involving hundreds of millions of people lack even the bare necessities of life and many millions of others are in an only slightly better position—there are many hundreds of thousands even in our own country who have only the bare necessities—it will be seen that society must find a solution of this problem.

There is ample scope for our free enterprise system to find employment for the increase in our labour force. The question must naturally arise that if money and credit can be found and made available for the needs of war, why cannot the same thing be done about the needs of peace, which are human needs? I think the answer to that is that private enterprise responds to our demands and our demands are related not to our needs but to our wants.

It must be evident that free enterprise is not really free, because we have needs, we have the surplus manpower and materials required to meet those needs, yet the machine does not go to work to fill those needs. It does not do that because somebody controls the credit which sets the machine in motion, so that the people who control the credit really decide what wants are going to be filled. This is a matter which I think should be inquired into. Until we face this problem honestly I do not think we are ever going to discover the flaws in our free enterprise system which must be corrected if the system is going to function as it was meant to do.

Our socialist friends would solve this problem by changing the system. They would change the free enterprise system to a state controlled enterprise system. In support of that we see countries in the world like Russia and China where no unemployment problem exists. But the unemployment problem has been eliminated by means of work camps and various forms of slave labour such as we hear exist in China. People in these countries have secured employment but only by sacrificing their freedom. None of the remedies tried so far, and which I

have just mentioned, has produced a satisfactory solution and in my opinion the reason is that we have not really got down to the basic cause.

Last night the hon. member for Vancouver East suggested that we face facts. I agree with him because I believe there is one fact that we constantly and consistently refuse to face. That fact is that the basic cause of our unemployment is human selfishness. That does not mean that we should start pointing the finger at each other because that statement applies to every single one of us. It is very easy, as some people do, to lay the blame upon the unions. I am not saying that organized labour and its unions are not selfish in some of their demands but they are no more selfish than management.

That is very evident when we note, for example, what happened in the case of steel. Some time ago there was an increase in wages in the steel industry which meant an increase of somewhere around $1.80 per ton in the price of steel. But what happened? The increase in price was not equal to the wage increase. The price of steel went up by about $4 per ton. That kind of selfishness is just as harmful to the economy as is the selfishness of unions.

The difficulty with wage increases is that they result in a sort of struggle between labour and management for a bigger share of profits regardless of what the effects will be upon the consumer who has to buy the product and the economy of the country as a whole. It is this struggle for profit, not profit itself, that is harmful. There is nothing wrong with profits. The only profits that are harmful are those which result from dishonest practices or from wrong motives. But the struggle to claim a share of these profits is resulting in an increase in automation much more rapidly than is good for our country at the present time because it means the disappearance of thousands of jobs which will never exist again.

It is easy to point a finger at some of the labour bosses who exploit the selfishness of the members of their unions but before we point the finger at them let us examine ourselves and see if we are not guilty of something of the same nature in our election promises. The trouble really lies in our basic motives. Free enterprise is not free because it is a slave to materialism. There is plenty in this world for everybody's need but there is not enough for everybody's greed. What is happening at the present time is that we are all engaged in a mad race through an economic jungle where every man is for himself and the devil take the hindmost. We are not dedicated to any great purpose either nationally or individually. We have nothing bigger to live for or to work for than our own self-interests and that is not big enough for the challenge that faces us today.

We cannot expect to retain our selfishness and reap the fruits of unselfishness. We cannot serve materialism and expect to reap the fruits of the spirit. We cannot have our cake and eat it too. We have tried to do that over and over again and we have got away with it for quite a long time, as the figures which the hon. member for Laurier put on the record a little while ago indicate. We were able to get away with it partly, I think, because we were able to draw on the moral capital which had been built up by our ancestors.

But the situation today is different. Not only is our moral capital beginning to run out but a new factor has entered the picture with the advent of automation, and as a result of that factor there will never again be a situation which will be exactly comparable with the past. Regardless of what the situation may have been in various years in the past, the consequences have now caught up with us and we are faced with a choice. We are faced with the choice that either we must sacrifice our selfishness to our country or we will sacrifice our country to our selfishness.

Unemployment is a tremendous threat to our economy, as the hon. member for Assiniboia has pointed out. If the problem is not solved there is a very great danger that our economy will collapse completely, and an economic break-down is always the forerunner of ideological penetration. We all know who are waiting and longing for that day to come so they can move in and take over our country. The proposals which have been put forward by labour and by government with respect to changing the system are in fact mere palliatives. They are like aspirin or mustard plasters. They merely deaden the pain; they do not cure the disease. I think we must stop kidding ourselves that a solution can be found in any of these directions because it is really a waste of time. There can be no permanent solution, no real cure, until we come to grips with the basic cause, and that cause lies in the selfish, dishonest and impure motives that govern each one of us. We need a new set of motives because our old ones have failed. Our greatest national need at the present time is moral recovery. Only then will we have the moral clarity to see what changes must be made, what adjustments are required in our industrial machine, what changes must be made in our monetary and credit systems and in our tariff policies. Only then will we have the

moral courage to make the necessary decisions and, to accept whatever sacrifices may be involved. What we need more than anything else at this time in Canada is a great moral purpose, something to which we can dedicate ourselves, individually and as a nation.

Unemployment is mainly a symptom of that deficiency. There is such a purpose. It is to remake the world. The communists are dedicated to this. They are dedicated to the building of a world with a godless materialistic society. But there is a bigger idea than that, and it is to rebuild the world so that we can have a society that will be free from fear, hate and greed. If we are prepared to commit ourselves to that, if we are prepared to make that our national purpose, one of the biggest contributing factors to unemployment will be eliminated. Then empty hands will be filled with work, empty stomachs will be filled with food and empty hearts will be filled with an idea that really satisfies, not only here in Canada but throughout the world.

Mr. Macdonald (Kings): Mr. Chairman, in dealing with the estimates of the Department of Labour I should like to place before the committee a constructive proposal which would provide a great deal of employment throughout the maritime provinces. While I do not agree that the situation with regard to unemployment is nearly as serious as our friends opposite would indicate, I do feel that if this project were undertaken, perhaps as well as some others, it would serve to minimize some of the present unemployment in the maritimes now and in future years. I refer to the construction of a causeway between Prince Edward Island and the mainland.

I might say that this project has been mooted for a number of years; at least some kind of connection between our province and the mainland by way of a causeway, a tunnel, or even a bridge, has been mooted. The last two named have been deemed to be too expensive in initial cost and maintenance to be practical. It is generally considered that the causeway would be the most suitable. The terms under which Prince Edward Island entered confederation included the assurance of "continuous and efficient communication" with the mainland. This was a specific stipulation in the agreement. We feel at the present time that the causeway is the ideal means by which we can be provided with this efficient and continuous communication with the rest of Canada.

I might say that a great step in this direction was taken when the Borden government provided the ferry service between Borden and Cape Tormentine. Under present day conditions, this service is not good enough. We have three ferries operating in the summertime and they handle the traffic more or less adequately depending on conditions. However, as we all know, there are a great many disadvantages to a ferry service. For one thing, ferries are very expensive operations, and when the haul is short they are always operating at a loss. I know that the present government realizes our problem. As evidence of their good faith, they have given us a survey which, to date, has been very extensive. I might say that the previous government mentioned this project on various occasions. According to a letter received from the Department of Public Works, the former administration spent only $6,000 on a survey whereas, up until the present, this government has spent over $600,000. I feel this is a very good indication of their good faith in trying to decide whether or not this tremendous project is feasible.

This survey is continuing, and I might say that our people are quite satisfied that the government is doing everything it can in that regard. Just the day before yesterday I made a second trip to the national research council to see the model of the causeway set up there and discuss with the engineer in charge some of the problems that are being met. We are hopeful of good results. I should like to impress upon the government again the necessity for the construction of this causeway as a help in avoiding any increase in unemployment in the maritimes.

The causeway itself would be a very economical method of handling the transportation problems existing in that area. The story of causeways or bridges which have replaced ferry services is an interesting one. First of all, they give a very much improved service because they are available for use on a 24-hour basis and, in general, maintenance costs are quite low. This has been proven in the maritime provinces as a result of the construction of the Canso causeway and the Angus L. Macdonald bridge between Dartmouth and Halifax. In fact, I am informed that consideration is being given to the construction of a second bridge in Halifax because traffic has increased so much as a result of the convenience of the bridge. In general, as the graphs show, the revenues from ferry services rise very gradually and steadily, but in the case of the inauguration of causeways or bridges the revenues show an immediate sharp rise. I submit, Mr. Chairman, that such a project would be a very economical one in the long run.

Under the present set-up of the ferry service between Prince Edward Island and the mainland we have one icebreaker which is

40 years old, and which will have to be replaced in the very near future. We have a second one which will have to be replaced in about 10 years. And the service really needs a third ferry. If we calculate the cost of a new ferry at approximately $10 million, we get some indication of the high capital outlay required within the next 10 years to maintain this ferry service. In addition, there would have to be extensive dock alterations which would run into several millions of dollars. Also, there are the continuous dredging operations which are required wherever ferry services are operated. The present service is operated by Canadian National Railways, and the deficits incurred are charged up to the Department of Transport. Recently I asked the department for a list of the operating deficits over the past ten years and I should like to place them on *Hansard*.

The Deputy Chairman: Order. I realize that the hon. member was trying to bring out the point that the building of this causeway would help unemployment. However, I think he should relate his remarks to that fact and not to the question of whether or not there have been deficits in the operation of the transportation between the island and the mainland.

Mr. Macdonald (Kings): I was attempting to develop the subject in order to show the necessity of the project so that hon. members would be acquainted with the need of this project and the consequent employment its construction would provide. I wanted to show the economic feasibility. The engineering feasibility has not yet been decided. However, if it is not proper to continue on that course, I shall abide by your decision, Mr. Chairman.

This project would take possibly six or seven years to build and naturally if you have a large scale project such as this one which is going to take that length of time for its construction it is bound to provided a great deal of work for a great number of people in the area affected. We feel that it would provide much employment for people in the maritimes in the actual construction and in providing the rock and fill necessary and which must be obtained from the mainland. All in all we feel it would have a great effect on the economy of the area. Not only in the construction itself, but in the increased economic activity which would result from the fact that the causeway is there, we feel it would be of great assistance to the general economy of the area in particular, by increasing employment opportunities. I strongly urge that the government proceed with this project if it is deemed to be feasible from an engineering point of view. If this is done, I am sure that a great deal of work will be provided for a large number of people in the maritime provinces.

Mr. Pearson: In the general discussion so far of the first item in the estimates of the Department of Labour practically all hon. members who have spoken have devoted the major part of their remarks to the subject of unemployment. That fact is understandable because, as has been pointed out by other hon. members, unemployment is our No. 1 domestic problem with the exception, of course, of national security itself. There are a great many other important matters that come within the jurisdiction of my hon. friend and no doubt we shall have an opportunity, when we reach the individual item to bring some of these matters to his attention. Meanwhile, the subject has been unemployment.

Previously, and in this debate, we have criticized the minister and the government for what we consider to be their inadequate action to deal with this problem. If we do that we do not minimize the devoted efforts that have been made by the officials of the department. We do not underestimate the complexity and the difficulty of the problems that confront them and the minister to whose sincerity and devotion in his work we have in the past paid our tribute and are glad to do so today. He presides over a department which, in our complicated industrial society should be, if it is not, one of the most important departments of government. We made this point in the debate last year, and I say this in no political sense, because this matter goes beyond the time of the minister's administration. In the development of our political governmental structure we perhaps have not given the Department of Labour the importance or even perhaps the resources that it should have in order to do the job we ask it to do. That job is becoming more and more important, particularly in this field of employment. When I say that, I do not underestimate its importance in other fields, especially in the field of industrial disputes.

Throughout the present session we on this side of the chamber have warned the government about the unusual and growing level of unemployment in this country. That warning has been repeated today and it was repeated yesterday. We have been pressing for immediate, effective and realistic action in order to deal with this problem. The minister may recall that during the debate on the speech from the throne, I referred to that matter as did some of my colleagues. I dealt with it during the special debate on unemployment which we initiated and again

during the budget debate at the beginning of April. We on this side at that time, and earlier, warned the government against at least the possibility and perhaps the probability of a slow-down. In that warning we ventured to put forward some suggestions that we thought would be helpful but I am bound to say, as has already been said, that our suggestions do not appear to have been taken seriously. We thought they were practical and we thought they were concrete.

Having said that, I should also say that the government now appears to be creeping up on one or two of them. The reaction we obtained to those suggestions at the time—and that reaction has been referred to in this debate—was too often that of jibes and charges—and I am not thinking of the minister particularly in this regard—that we were fomenting an atmosphere of gloom and doom. As my friend the hon. member for Laurier repeated this afternoon, we were told by the Minister of Finance during the budget debate that this unemployment difficulty would disappear with the coming of spring. The Minister of Finance based his optimism apparently and his financial policies reflecting that optimism on the following expectation, and I quote from page 2674 of *Hansard*. I may say that this was during the budget debate. He said this:

> I expect that the forces of expansion will continue during 1960, and that the rates of increase we have experienced in 1959 should be maintained throughout the year.

He stated at that time that he was basing his forecast on an increase in the gross national product in 1960 of about 6 per cent. On this occasion he did not make any allowance for a change in the price level. Those were his predictions and they have an important bearing on this employment situation because if the employment policies or, even more, if the unemployment policies of the government are based on an optimistic prediction, we can begin to understand why nothing effective has been accomplished in that particular field. The facts do not bear out this prediction. I think it was my friend the hon. member for Assiniboia who this afternoon made that apparent by quoting from the dominion bureau of statistics publication National Accounts, Income and Expenditure, first quarter, 1960, page 1. Perhaps I can put the third paragraph on the record again. It reads:

> The advance in gross national product moderated in the first quarter of 1960. Apart from the third quarter of last year, the increase of 1 per cent was the smallest quarter to quarter gain in the value of production (seasonally adjusted) since the expansion began following recovery from the 1957-58 recession.

That is from the bureau of statistics official publication. We now also have official evidence that in the second quarter of this year economic conditions have not improved materially as compared with last year. There is some evidence of improvement in certain sectors and some evidence of decline in other sectors. These latest bureau of statistics figures are very disturbing to anyone who is worried about this economic position and its effect on employment, because these figures do show that the number of jobs is lagging behind the increase in the work force even though—and members on the government side are continually reminding us of this—the employment figures themselves are up.

In June, 1959 the labour force was 6,287,000. In June, 1960 it was 6,454,000, the highest figure I suppose we have reached. That was an increase from June to June of 167,000. But the significant and not so encouraging feature is that the persons with jobs were 6,053,000 in June, 1959 and 6,154,000 in June, 1960, an increase of only 101,000. In other words, the increase in employment is not keeping pace with the increase in the labour force.

If that is the situation there is bound to be serious unemployment, and all you have to do to get the figures for the unemployed is to deduct the persons with jobs from the figures for the labour force, and you get 300,000 unemployed in June, 1960 as against 234,000 in June, 1959, an increase from June to June of 66,000. In terms of percentages it is an increase from 3.7 per cent in the labour force in June, 1959 to 4.6 per cent in June, 1960. And all this at a time when the increase in the labour force was not as great as it would have been if we had had the kind of immigration we have had in recent years.

If you take the figures for the first six months in 1960, even on the lowest measure of calculation you get 7.5 per cent of the labour force without jobs and seeking work. That is higher than in the corresponding period of 1959 when it was 7.1 per cent. I hope the minister will not accuse me of being unduly pessimistic if I say that in the projection of that trend, unless it is stopped, the average for this year may well be worse than it was in 1959 when it was 5.6 over the year.

On June 30 the jobless claims for unemployment insurance were 35 per cent above last year. These figures are bound to give us cause for concern as we approach mid-summer and will soon be into autumn and winter, and there are other statistics which add to this anxiety. I will anticipate the minister's criticisms. He may say I am picking out a few of the depressing statistics, and I admit they are the ones that worry us. But if

you read the current issue of the *Financial Post*, you will have to admit that there are some indices which are discouraging. The retail trade in May declined by 3.1 per cent. Building permits in the same month were down by 9.3 per cent. Industrial employment in May was below the level for May over the last four years. Railway car loadings, always an important index of general economic activity, in the week ending July 14 were down by 5.4 per cent.

They are some of the indications of the difficulties which are faced by the Canadian economy in the summer of 1960, difficulties which are bound to reflect themselves and are reflecting themselves in terms of unemployment. We say that this situation, signs of which appeared many months ago, requires special action, and needed action many months ago. If the government does not think the kind of action which we are talking about is required, we hope the minister during the course of this debate, or the Minister of Finance when we examine his estimates some time in the future, will give us the information on which he is basing his more optimistic view of the situation.

If we turn to the non-official but qualified economic forecasters we get some even more disturbing predictions. There is a firm in Toronto, a highly regarded firm of economic forecasters, Becket Associates—the minister probably knows them—and their analysis for July, 1960 refers to the "contraction in Canadian business activity continued to widen last month", that is June, and talks about spreading declines in business activities. And this at a time, according to the government, when we are in the midst of full recovery from recession. We are in the midst of expansion and have every reason for economic optimism.

If that is true, what is the situation likely to be if we find ourselves in the months ahead in the midst of a recession? There have been changes in the nature as well as in the volume of employment, and some of these changes in the nature of employment do, I think, have a bearing on our unemployment situation. More women are coming into the labour force and staying in the labour force, which has both social and economic importance. I think the regional character of our unemployment difficulties has been accentuated in the last year or two, although we always had it, and I will say something more about that later. Certainly the situation now is worst in those areas where it is most difficult to solve. Furthermore, employment, particularly male employment, is becoming more and more dependent on certain industries, on the service industries, on the construction industry, and less and less on manufacturing. That also has its significance for government policy.

Mr. Chairman, one out of four of our jobs today still comes from manufacturing in this country; but in 1959 there was 5 per cent fewer jobs in manufacturing than in 1957. This shifting nature of employment can easily be illustrated by a few figures, and I hope the committee will pardon me if I put a few of these figures on the record.

During the decade 1949-59 employment increased in this country by 19 per cent. But construction employment—and by the very nature of it, construction in this country is a seasonal employment to an extent probably not exceeded by any other kind of employment—increased by 30 per cent during that decade. Employment in the services industry increased by 39 per cent, while employment from manufacturing increased only by 11 per cent, which shows that manufacturing is losing its former significance in the economy as a producer of jobs. During the same 10-year period employment in agriculture was down 65 per cent.

Something else should be studied, and that is the nature and extent of our growth generally and whether it is enough to take care of our increasing labour force. If we allow for inflation and the increase in the population the increase in gross national product per capita in constant dollars from 1949 to 1959 was 16 per cent. That is the per capita increase in constant dollars in that decade.

Mr. Browne (St. John's West): When the hon. member speaks of per capita income in terms of population is he taking into account the fact that during this period the population varied and increased?

Mr. Pearson: It is perfectly true the population increased and so did the gross national product. It works both ways—more people, more income.

Mr. Browne (St. John's West): And you take it each year?

Mr. Pearson: Yes. From 1956 to 1959 the gross national product per capita in constant dollars has actually gone down 3 per cent. The effect of this on employment must be perfectly obvious. It seems to me to mean that if any recession should come it is likely to be more severe and more difficult to meet in terms of unemployment than the last one, so surely measures similar to those adopted in 1958, such as they were, will be even less effective next time. We should be planning for something else. This does not necessarily mean that a recession is inevitable but certainly we should be planning against that possibility, and we shall not be able to do

this if the problem is not appreciated in parliament in terms of recent developments and unless there is an understanding of its nature and its causes. That is why we on this side of the house say we should be having the kind of examination which would enable the government to cope effectively with the economic difficulties which may be ahead.

Mr. Martin (Essex East): In this house.

Mr. Pearson: Yes, in this house by a parliamentary committee. We have already put on record some of the causes of unemployment, and I think my hon. friend from Laurier mentioned some of them this afternoon but it is just as well to remind ourselves that unemployment in this country is not due to any one factor, to any one situation or to any one cause. There is the normal classical cyclical unemployment about which we know a good deal through past experience; an experience which has been so unhappy that it may perhaps hamper the efforts which we should be making to meet the other kinds of unemployment which is other than cyclical.

There is frictional unemployment where people are changing their jobs because there is a declining need for their skills, and moving from one area to another hoping that their skills may be useful in a new area. The minister has indicated that the government is doing something about this problem through retraining programs. We on this side press him to do more in this important field. Perhaps the minister has studied what has been done in Belgium, a country which has made great progress in retraining programs with less by way of resources than we have. Then there is seasonal unemployment which, of course, presents a particular problem to a country such as Canada. In addition, there is technological and structural unemployment. An electric power plant is built and the coal miners find themselves out of a job.

Mr. MacInnis: They are not going to be out of a job in New Brunswick.

Mr. Pearson: I hope not.

Mr. MacInnis: Mr. Robichaud said so.

Mr. Pearson: When the Canso causeway was built the ferry operators were out of a job, at least for a while. Today we might find 40 men running electronically a huge plant which used to employ 400. That is automation. Today in our economy there is often little relationship in certain industries between the value of a plant's production and the number of men it employs. That certainly has its effects on the employment picture. Then there are international causes. Some of our extractive industries in particular are dependent to a great extent on decisions taken in countries other than our own, although that situation may change as time goes by. We all have examples in the last 12 months in our minds of what can happen in terms of unemployment when another government lets us down as we have been let down by the United States in connection with the uranium industry. Then there are fiscal and economic causes—tight money and that kind of thing.

As hon. members will realize, we cannot solve this problem by any single approach because there is no single cause. No single remedy will do the job.

Economic instability, which causes unemployment, may arise, not only from the basic factors of the economy but also from a particular imbalance in certain regions. It is possible for full employment to be achieved within reasonable limits at a national level while some areas still experience serious unemployment. Our past experience shows that unemployment, when it arises, is always unevenly distributed through the country. Certain regions are more affected than others. This dissimilarity indicates that full employment cannot be ensured simply by a national program applied uniformly throughout the country. If we should try to follow this line of action exclusively a considerable degree of inflation would be reached before an adequate level of employment was achieved in the more depressed areas.

The limitations of a general approach to full employment applied uniformly throughout the country are particularly serious when we consider that our economy is not now and is not likely to be a homogeneous unit. The diversity in the basic factors of Canada's economy and in the conditions of its development have produced very different economic regions with different regional problems. These regions differ in such respects as the composition and the distribution of their population, their natural resources, their industrial structure, their climate and the degree of their economic development.

The actions of these forces produce different types of adaptation to economic change and evolution in our development. Some regions may show signs of decline while others experience a period of growth and development. Given areas may be quite sensitive to short run fluctuations while others remain relatively stable throughout the trade cycle. Different regions are not affected to the same degree by seasonal variations and the direct impact of irregular factors is often local.

Finally, in all these regional reactions there is a time lag which presents special problems.

If we combine all those elements we get a great variety of regional behaviours. Perhaps I may be permitted to refer to these elements as divisive elements in the economic sense. When combined we get a great variety of regional behaviours so we will not solve this problem by a single national approach to all these regional problems.

It is well recognized that in certain corcumstances a public investment program may be essential to achieve a high and stable level of employment. However, such a program must meet several requirements in order to be effective. It does not seem to me that a public investment program, although it is essential in times of recession, which was put into operation on a national basis without taking into consideration these regional differentiations and difficulties would be successful for the kind of thing we have in mind. As I have just said, we all recognize that in certain circumstances a public investment program may be essential to achieve a high and stable level of employment. I think that all governments in democratic countries, however capitalistic they may be in their orientation, agree on that. However, in a country like Canada if a program of this type were going to be effective in terms of employment it would have to meet several requirements.

Among those conditions which should be taken into consideration two particular requirements deserve our attention although at first sight they seem evident: we must know when to invest and what is the best kind of investment. A program applied in a haphazard way or one applied evenly throughout the country—even if it were not planned —might involve a tremendous amount of expenditures and yet not be very successful in dealing with the employment problem. If we want to obtain the most effective results with a minimum of expenditure—and that is what we are all after, I suppose especially the Minister of Finance—we must determine the strategic areas of the country where economic fluctuations are first felt and be prepared to act quickly in those areas. Some of those areas spring to mind at once and I do not need to name them.

Moreover, we must also be very careful in selecting the type of investment which is designed to have the most constructive results for the purpose we have in mind. The decision depends primarily on the economic structure of the area where government intervention seems desirable.

All these considerations that I have mentioned to the committee lead, I think, to a very important conclusion. If we want as a nation to deal effectively with the employment problem and at the same time to minimize the expenditure of public funds we must arrive at a regional formulation of certain national policies, and in order to arrive at such a formulation we must know in greater detail and much more concretely than we do now the different structures and the peculiar behaviour of our economic regions. On this side of the committee we say that if the board on economic development and automation, which we first advocated three years ago and which we still recommend, were to accomplish only that it would render a tremendous service to the country. If the minister can tell us that this is being done by some other source we would like to hear about it.

There are other things, too, that have to be considered carefully. I will only mention them because I do not want to delay the committee. We have to consider the effect of monetary policy on this regional formulation of our problems. I know and the minister knows that at this moment there is a regional approach to monetary policy being investigated in the Atlantic provinces by a royal commission. It would be interesting to know if the Department of Finance has any liaison with that commission.

There is also the question of fiscal incentives on a regional basis for economic development and employment. All of this means planning, planning for the benefit of the individual without depriving him of his initiative, and planning for the development of our country at the same time. I hope I will not be accused of being a socialist if I say that planning for employment is more and more necessary as our economic society becomes more and more complicated, planning with the purpose of giving the individual the opportunity for work, to make life better for him, to give him a better chance for development only if the individual has a better chance for development are we going to have the right kind of national development.

This means for the individual material development, material betterment. I know, and if I did not know I would undoubtedly be reminded, that man cannot live by bread alone; but he must have bread and he must have work by which he can earn that bread. I agree that he should rely primarily on himself to get that bread and even the cake that we like to have to supplement our bread. But the state also has a responsibility to make that possible and the responsibility of the state lies in the creation of sound policies, the creation of an economic climate which will give the individual citizen the best opportunity to look after himself through work under decent conditions and at a fair wage.

The state also has the responsibility of providing by social security legislation a cushion between the citizen and catastrophe, to help him in circumstances where he cannot help himself or support himself. That is why we have pensions, unemployment benefits and such things. They are a recognition of the social responsibility of the state to all its members.

All of this intervention—if you like—by the government, supplements in an essential way but I hope it will only supplement and not replace the primary responsibility of the individual himself and then of his community. This planning is needed now more than ever before especially in terms of unemployment which seems to be facing us now as a problem of almost endemic proportions. It is needed now more than ever before because of this situation and because the state is becoming an increasingly complicated mechanism where the individual is often at the mercy of forces outside his control or indeed, at times, outside his understanding.

Big corporations, big business, big unions, big demands to be protected and assisted, have made big government unavoidable, even big labour departments unavoidable. That is especially true as big, revolutionary changes are taking place. It would be very nice and comforting, as was mentioned by one speaker this afternoon, I think, if we could leave all these things to the free play of economic and social forces inside the state. That is not possible because for one thing the play is no longer free. Of all these responsibilities in planning that I have mentioned, the greatest and perhaps the most difficult—I think the minister will agree with me—is planning by government to keep people at work, planning for full employment and all that means.

I think the effort of the government in this respect has been inadequate. I think greater and more effective planning is needed. I think that planning should be as much social as economic. It has to take into consideration what I have already referred to, the revolution of automation which, as the minister has mentioned, is as important in this decade of the twentieth century as the industrial revolution was in the eighteenth century and almost as difficult for people to understand. We know what happened because of the lack of understanding of the industrial revolution in the eighteenth century. There was unrest, trouble and confusion then, and the forces of democracy and progress were held back because of that fact.

The revolution of automation of the 1960's extends far beyond the problem of jobs although that is an essential part of it, and if labour is to accept this revolution it must be explained to labour. I was glad to hear the minister say something about this in his opening statement. Labour must somehow feel that government and industry can combine with the worker through his trade union to cushion the impact on him of these changes.

Similarly, there is the problem of the older worker, I was going to say something about that but I will save it for another time.

If the government is going to do these things, Mr. Chairman, if it is going to plan for these things, if it is going to make this effort and made it more effectively than we think it has, it would have been a good thing to have had an advisory board of the kind we have mentioned to help the government during the last three years. I think it would have been a good thing also to have had a parliamentary committee working on this problem this session. We tried to get that and, as members know, we were unsuccessful. The other place was more successful. It has set up a committee dealing with this problem, a committee whose work is, I think, commending itself to the government. If that can be done in the other place, would it not have been much better if it could have been done on a joint basis or even done on a House of Commons basis alone?

Mr. MacInnis: Is the Leader of the Opposition sure that the members of his party could attend its meetings inasmuch as they have been complaining that there are too many committees?

Mr. Pearson: Oh, yes, we would attend as we are trying to attend all the committees which have been set up in the last few weeks of the session. We first asked that this committee be set up in March. That committee could have been set up in March, 1960. It could have had the same kind of expert staff which the committee of the other place has been fortunate enough to get, and it would have been a good thing if that had been done.

This problem has to be attacked not on one but on many fronts and it certainly should be attacked on the parliamentary front. I repeat that that attack has not been made effectively by the government and that is our main charge against the government in this field.

We have talked a lot about the responsibility for this matter. The responsibility rests on every level of government, municipal, provincial and federal and it rests on every individual too, every trade union leader, every business leader, every member of parliament. But there is a very special responsibility resting on the federal government of our country and the minister himself has accepted this responsibility because when he was talking

about this problem on January 22, 1959, he said, as found on page 194 of *Hansard:*

The responsibility in these matters is ours.

We ask the government to discharge that responsibility.

Mr. Herridge: Mr. Chairman, first of all I must say that I thoroughly enjoyed the interesting speech by the Leader of the Opposition to which we have just listened. However I should like to bring to the attention of members of the committee that for the first time this afternoon we heard an official denunciation of the classical doctrine of Liberalism which is that the economic forces of the country should be permitted free play. I am delighted to have heard that statement.

Mr. Pearson: Mr. Chairman, may I ask the hon. member whether he does not realize that the classical definition of Liberalism ended many decades ago?

Mr. Herridge: I do, Mr. Chairman, but it has taken the Leader of the Opposition and his predecessors several decades to admit it publicly in the house.

Mr. Pearson: You are talking about the nineteenth century.

Mr. Herridge: I wish to bring to the attention of the committee a few ideas recollected in solitude after I woke this morning to milk cows that were not there. I do not have a research staff or the facilities enjoyed by members on the government side, those on the cabinet benches, the Leader of the Opposition and other hon. gentlemen on his side. We have to search for our own information.

Mr. Pearson: You have the Canadian Labour Congress.

Mr. Herridge: Not this member.

Mr. Pickersgill: May I ask the hon. member whether they have first and second class members in his party?

Mr. Herridge: No. I should explain, Mr. Chairman, that we have specialists in particular subjects. Members of this group deal with certain subjects. However, I wish to have my say regardless of that because I represent the people of Kootenay West.

Mr. Henderson: Don't let them rattle you.

Mr. Herridge: I have had considerable experience in various walks of life which I think permits me to speak on these questions with some degree of objectivity. Many hon. members would not realize it but I have been a member of a trade union for nearly 20 years. I am also a microscopic employer and a peasant farmer so I have had some experience with several aspects of life where at times unemployment has existed.

Mr. Hellyer: Did you say you were a pleasant farmer?

Mr. Herridge: I trust I am, and pleasant in other ways as well. However, before going on with the meat of my address resulting from my research in solitude, I must say that I always listen with interest to the remarks of the hon. member for Burin-Burgeo and I could well understand his approach. I listened to him with great interest, particularly to his reference to the moral aspect of the question as far as meeting the problem of unemployment is concerned.

I was interested in his admission that we live in an economic jungle. That is just what democratic socialists have said for years, and it is because we live in an economic jungle under a so-called system of free enterprise that democratic socialists aim to bring some law and order in the economic and social life of that economic jungle. I was very pleased to hear him admit that.

I have said before, and I emphasize again because I think it should be emphasized, that we are faced with a difficult unemployment problem at the present time, for particular reasons.

So far as the world situation is concerned, we are faced with the political dictatorship of communism on the one hand and the economic dictatorship of monopoly capitalism on the other. We, as democratic socialists, believe we have a middle course for remedying this situation through the recognition of democratic principles and the use of free parliamentary institutions. We believe that the state has a responsibility for unemployment and is the only authority that has the power to rescue the casualties of free enterprise and unrestricted monopoly capitalism as it exists today.

Before proceeding to the few other remarks I wish to make, I want to say personally, how delighted I was to listen to the progressive and sensible approach to this problem by the leader of the official opposition. I am sure, first of all, that no thinking person would try to make political capital out of the distress of fellow Canadians or take political advantage of their distress. I am sure that all the members of this committee face this peculiar, and in one sense, modern development in the spirit of working together to find a remedy for the situation. Here we have an abnormal and continuing unemployment which concerns us all and, so far as we are concerned, not only on account of those who are in need but also because of the

great social waste which is involved. Surely we must recognize that it results from the greater increase in our productive capacity as a result of automation than the increase in employment opportunities.

The situation we have at present is, I believe, unique in Canadian history, that is unique in the sense it is a continuing situation during the summer months. Here we have, if my figures are correct and I have only been able to check them hurriedly, the highest total investment in the construction industry this year; we have for early months of this year, the highest total exports from this country. I understand there has been an increase in industrial production, an increase in total employment, an increase in employment income and an increase in corporation profits. Yet while that situation exists we have this unusual paradox of continuing constant unemployment on a large scale.

I am not going to repeat the things that have been mentioned by my colleagues who have dealt with this subject prior to me. I agree with what the leader of the official opposition said when he mentioned that this is a problem that will require co-operation between the federal government and other groups. While, in our opinion, the federal government must give leadership if it is going to solve this problem, we shall require co-operation between the federal and provincial governments, organized labour, organized farm movements and all organized sectors of the community. We believe that that co-operation is essential. However, I am not going to take much of the time of the committee now. We believe that the first thing that is essential is to have a study made of the situation to get the facts with respect to the causes of unemployment, the rate of unemployment and the nature of unemployment. Then we believe it is necessary for this government to accept responsibility for giving leadership in the development of an over-all national plan.

I was particularly interested to hear the leader of the official opposition use the word "planning" quite boldly today. I have heard it used on a few occasions in the past by members of the Liberal party, but rather timidly, in an undertone as it were. I say, for the first time in my experience in this house, the official Leader of the Opposition used the word "planning" boldly and with emphasis. I congratulate him on that account. We believe this planning is the responsibility, in the first instance, of the federal government. Then we believe that as a result of that planning there must be some public agencies or institutions established. This would be the result of the co-operation in the planning, in obtaining all the facts and information, between the federal, provincial and municipal governments and the other bodies I have mentioned. These institutions or agencies must be established so that we can devise an investment policy which will provide for large scale investment in socially desirable projects, self-liquidating projects, if you like, such as the Mica creek dam on the Columbia river, such as schools, hospitals, highways and housing. All of these are socially desirable investments because they are self-liquidating as a result of the profits they return in social services or in revenues to federal or provincial governments.

Then we believe there must be credit provided to financial these socially desirable projects. We recognize, as did the leader of the official opposition, the necessity for careful planning in fiscal policy. I say that if we are going to avoid inflation, credit will have to be used and planning will have to be given effect to, with some measure of control of profits and possibly some control of prices, as a result of negotiations between the various interests concerned. Credit will have to be provided for the carrying on of projects undertaken by the federal government, by the provinces, by municipalities and by co-operative institutions or organizations that undertake projects of this kind at the regional or local level. Then our fiscal policy and our taxation policy will have to be such as to provide tax incentives to private industry and to those wishing to undertake private developments at a time when they will have the greatest impact upon the unemployment situation.

I was very interested in what the leader of the official opposition had to say about diversification. We are all for diversification in planning projects. In my opinion, with complete centralization of power democracy will go out the window. We want diversification, of power and action, and that is why we suggest this planning as a result of co-operation and consultation between various authorities and groups in our society. Then we have to give consideration, as the leader of the official opposition said—I agree with him wholeheartedly—to the national and provincial aspects. There will also have to be regional diversification and some local activity. I also say, Mr. Chairman, that we have not yet really exploited to the full the goodness in people's hearts in local communities or attempted to mobilize this to meet the problem. I know this would not apply to the same extent in the large centres because the problem is much greater, but I know that with some organization and with some co-operation in the smaller centres between labour and management under a plan

the problem could be taken care of locally. I am sure of that therefore, I suggest that is the next thing that is required.

In addition to the program I have just mentioned which would provide for those who are now trained and capable of undertaking employment in industry today we must recognize the fact that we have a large number of young people coming out of our schools. In many cases they are not willing to undertake academic studies, they are not concerned with university training since they have not, shall I say, that type of mind, but they would make excellent artisans, technicians and employees of that type.

We are getting short of skilled workers in some trades. From my own experience I know that good bricklayers, and good plumbers are in short supply particularly in the small communities in Canada because there is a tendency for them to go to the larger centres. On that account I think it is necessary for us to undertake a great expansion, first of all in the retraining of adults for other occupations, and that is possible up to a certain age with good effect, and then an increase in our training facilities for the younger people. I mention this matter with some particular knowledge and particular interest because it is one of great concern to the people in the Kootenays and to the people in the interior of British Columbia.

You notice, Mr. Chairman, that I can never make a speech without mentioning the Kootenays. I have always believed in acting as an advertising agent as well as an advocate of the people for the district I represent when I speak in this house. In any event, this is a matter of great interest to the people of the Kootenays because we are without any institutions of this kind and we have increasing numbers of young people coming out of our schools—a good percentage of whom are not going on to high training—who are denied the opportunity to secure this training as artisans, technicians and so on because of the cost involved in going to the large centres.

I suggest that is one aspect of the problem that must be given serious consideration and that any investment in this respect would be a good investment for the future. I believe this retraining is needed to meet the changing requirements of industry and the services in this country and to a certain extent the changing circumstances and requirements of agriculture.

In concluding my few brief remarks may I say this. When that is done I suggest that it is necessary to have an informed public and to have their co-operation. We must inculcate or promote a sense of personal responsibility for meeting the problem of unemployment.

[Mr. Herridge.]

Before taking my seat I want to say that we recognize the concern on the part of the minister with regard to this problem and we recognize that he has done certain things in an effort to remedy the situation but to a very limited extent. Therefore we suggest that much more is required if we are to solve this continuing problem now and in the days ahead.

Finally may I say this. There are two aspects of public policy that require public understanding and co-operation. One is the utilization, development and conservation of human resources and the other is utilization, development and conservation of natural resources. Those two programs require an informed, intelligent and co-operative public. I suggest that the leadership first must come from the federal government in order to secure this understanding and this co-operation in a program designed along the lines I have suggested.

Mr. Pickersgill: Before the hon. member takes his seat, may I ask him a question?

Mr. Herridge: Yes.

Mr. Pickersgill: May I ask the hon. gentleman where he has been in the last 15 years? I have in my hand a pamphlet called "Employment and Income", with special reference to the initial period of reconstruction, which was issued by Mr. C. D. Howe when he was minister of reconstruction at the end of the war. I have just been looking through this pamphlet while the hon. member was speaking and I find that the words "plan" "plans" and "planning" occur on practically every page of this blue book, planning which gave this country full employment from 1945 to 1957.

Mr. Bell (Saint John-Albert): Why did you not do something about it?

Mr. Herridge: In reply to the hon. member for Bonavista-Twillingate may I say this. What he says is correct. There is a measure of planning in the pamphlet but I just want to mention that we did not hear it mentioned in the same terms in the House of Commons and with the same emphasis as was placed on it by the leader of the official opposition this afternoon. This planning was from the top. What we listened to this afternoon was not only the suggestion that governments should plan but that they should plan in co-operation with the people or the rank and file. That was the interesting aspect that appealed to me when I mentioned the planning referred to in the speech of the leader of the official opposition.

Mr. Pickersgill: I just commend the whole pamphlet to the attention of the hon. gentleman because that is precisely what it says. It says that it cannot be done by the federal government alone from the top. It appeals for co-operation and it even suggests lines of co-operation between provinces, municipalities and public bodies of every kind.

Mr. Bell (Saint John-Albert): You did not do much about it.

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

Mr. Pickersgill: Yes.

Mr. MacInnis: Will he tell the committee how the plans of Hon. C. D. Howe for the Atlantic provinces come into the picture?

Mr. Pickersgill: I want to say—

Mr. MacInnis: I prefer that you give to me a direct answer to the question I just put to you.

Mr. Pickersgill: The hon. member is so fond of answering his own questions that he always seeks to answer them as well as to ask them. But if he will allow me to answer him, I would ask him what would have happened—

An hon. Member: That is not an answer.

Mr. Pickersgill: As a matter of fact, Mr. Chairman, I believe I am a member of the committee. What I should like to ask the hon. gentleman is what would have happened to the community in which he lived if the stimulus to the economy of that area which was given to it during and after the war had not been given to it? What would have happened if a Liberal government had not provided the coal subventions which have kept the coal mines alive for so many years, which coal mines have started to close down only since this government came into office?

Mr. Muir (Cape Breton North and Victoria): That is not true.

Mr. MacInnis: The hon. member asked me a question. Instead of answering he asked what would happen. He should have asked what did happen. I can place on the record, and I have it here, information showing that 34 coal mines closed under the government of the hon. member; that is to say 34 coal mines closed in Cape Breton in that time.

Mr. Muir (Cape Breton North and Victoria): And they did nothing about it.

Mr. Pickersgill: What about the subventions?

Some hon. Members: Six o'clock.

At six o'clock the committee took recess.

79951-0—457

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Deschatelets: Mr. Chairman, I should like to make a few brief remarks on the first vote of the estimates of the Department of Labour, although, of course, I reserve the right to put questions when we get to other items of the estimates.

At the outset of my remarks, may I emphasize the fact that, as a result of poor organization of the business of the house, great demands are being made upon us; indeed some of us have had to attend a committee meeting between 6 and 8 p.m.

At all events, as a representative of a riding made up mostly of workers, I feel it is my duty to make a brief review of developments since the beginning of this session with regard to the problem of unemployment which is particularly serious.

The Department of Labour is nothing less than the orphan of the government. It has been the most neglected department, at a time when its problems were certainly heavier than those of the other departments, at least on the domestic front. I do not mean to reflect on the personal qualities of the Minister of Labour (Mr. Starr), nor on his engaging personality, acknowledged by one and all; but the fact remains that his department has been held up to scorn by his colleagues in the cabinet.

So little regard have they had for the Department of Labour that it has been the last concern of the government, and the Minister of Labour, forsaken by his colleagues, helpless in the face of the existing needs in Canada, would have had every reason in the world—and we would have admired him all the more for it—on such a question of principle, to resign from the cabinet which had so badly let him down.

Mr. Chairman, it is very easy, very simple, to go over what has happened since the start of this session. There has been more unemployment than at any time since the thirties. In the speech from the throne, as soon as we arrived in Ottawa, the government failed to attach the necessary importance to the unemployment situation. Indeed the unemployment referred to in the speech was seasonal unemployment. This was first evidence of a lack of vision. As soon as we had arrived, in January, a major problem was being underestimated.

Some time later, during the session, and more particularly during the budget speech

on March 31, 1960, when the Minister of Finance (Mr. Fleming) was passing moratorium or agreement with his creditors, he gave the matter of unemployment just 16 lines in a budget speech that lasted a little over two hours. And if hon. members remember, the only reference made at the time to unemployment, which was then the worst we had had since the thirties, was this statement by the Minister of Finance:

> I have confidence, however, that employment will increase as the spring season will give rise to new job opportunities and as economy will keep on expanding.

There has also been legislation involving a winter works program. You will recall that, at the time, the government allowed the opposition to deal with unemployment in general, as well as with the winter works program. We said, at the time, that the winter works program was inadequate, and events proved we were right. Fifty thousand persons at the most, in the whole of Canada, were given temporary employment under that program, while at the time there were about 800,000 unemployed in Canada.

Eight hundred municipalities, at the most, were able to undertake such projects, assuming the largest share of the financial burden when, if I remember well, there are a little over 14,000 municipalities in Canada.

Quite recently the government again announced a winter works program for the coming winter, and again today a restricted program is announced, which will definitely not meet the needs that will be felt next winter.

In other words, the government policy on employment is a resounding failure. However, the opposition has not been chary of advice.

It will be recalled, for instance, that the hon. member for Essex East (Mr. Martin) put forward at least ten concrete and serious proposals deserving of consideration.

And if my memory serves me right, on the same evening when those ten proposals were put forward, the Minister of Labour said that opposition members were spending their time making barren criticism, and were not suggesting anything at all. The very next day, the hon. member for Laurier (Mr. Chevrier), summarizing the opposition's recommendations and suggestions, offered the government 25 concrete suggestions and proposals which, we believe, would have provided some relief to the unemployed.

I referred just now to the new winter works program. Already, the press in general has expressed the view that this measure would again be inadequate and, at this point, I would like to read a few words from an editorial of *La Presse*, of July 28, 1960. I quote:

> Since it has been decided to again provide the same type of help, it would seem that we are likely to run into the same problem next winter.
>
> It must further be recognized that this assistance, which is quite a burden on municipalities, is of benefit to only a small minority of the unemployed. Two years ago, it meant jobs for some 30,000 people. Last winter the number rose to 50,000. However, it represents only 2,000,000 working days, or an average of 40 days per worker. And the total of 50,000 did not quite represent 10 per cent of the 560,000 unemployed found in Canada in March 1960.

Mr. Chairman, you will recall that on many occasions we called for a thorough investigation, by the committee on industrial relations, into the whole question of unemployment and employment in Canada. Nothing was done.

Every suggestion we made with regard to unemployment was rejected. And when we consider the events of the past session, we note with amazement that the industrial relations committee is perhaps the only house committee that has not or has hardly met at all during this session. I wonder what explanation can be given in this respect.

Here is a government that likes to boast of having set up standing house committees, of having put members to work; yet the key problem, acknowledged by most Canadians during Gallup polls as being of greatest concern to them, is precisely the one that was not considered by the industrial relations committee.

We did all we could to warn the government. All we could do was to tell the government: here is an urgent problem, one of vital importance to most Canadians. But nothing has been done.

In this regard, Mr. Chairman, I do not want to frighten my hon. friends opposite, nor unnecessarily cause them to lose sleep o'nights, but I wish they would ponder this thought.

Of late, there have been elections in several provinces of this country. There has been, for instance, a provincial election in Quebec. I hope my hon. friends will realize that the major reason for the clean-up that has happened in the province of Quebec was precisely the fact that the former Union Nationale government had stated that unemployment did not concern them. The people of Quebec preferred to entrust the administration of their business to a Liberal government that was

unafraid to say: we shall resolutely carry out our obligations with regard to unemployment.

In the case of New Brunswick, I am fully aware that special emphasis was placed on certain local issues that were thoroughly gone into, such as the hospital insurance question, but I am certainly convinced that if New Brunswick voters showed such concern for matters like the payment of hospitalization insurance premiums, it was first of all, because they were dissatisfied with a government which had not done what was required to fight the unemployment problem.

Under Conservative administration, Mr. Chairman, the Canadian unemployed—and we can say so today when we are about to leave—have been forgotten, abandoned, left high and dry. And in the light of the Prime Minister's famous promise, which, indeed, was the reason why a great number of Conservative members were elected, I say that the jobless have been misled by the government, because after having been elected, this administration refused to stand up to its obligations in the face of unemployment.

Mr. Pigeon: May I, Mr. Chairman, ask the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) a question?

Mr. Deschatelets: You may.

Mr. Pigeon: Does the hon. member recall the speech he made on March 15, 1955 as recorded in the French edition of *Hansard* of that date, page 2175, when he said:

> Mr. Speaker, the Liberal members from Quebec are rightly of the opinion that the unemployment problem cannot be settled through speeches.

Mr. Deschatelets: Mr. Chairman, I did make the comment referred to by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), and I repeat it now: the unemployment problem cannot be settled through speeches, nor can it be settled by promises such as the ones you made.

Now, Mr. Chairman, the latest available figures disclose that on June 30, 1960 there were about 300,000 Canadians claiming unemployment insurance benefits.

Therefore, by whatever system we count them, there are 300,000 persons now unemployed and claiming insurance benefits.

If the Minister of Labour had allowed an inquiry into unemployment, he would have learned from his own experts, that about one third of the unemployed registered at our employment offices, have never actually registered because they are not entitled to benefits.

In any case, according to figures coming from unemployment insurance sources, 400,000 Canadian citizens are now reported to be out of work.

I already said it, and I repeat it tonight, those figures represent men with dependents, wives and children, so that in considering this over-all figure of 400,000, we can assume that today, at the end of July 1960, there are at least 700,000 unemployed in Canada, people unable to look after their families, or pay for the medicine they need, people who cannot, like their neighbours or the rest of the population, live a normal life within our economic structure.

Mr. Chairman, I read the statement made by the Minister of Labour when he introduced his estimates. I hope all our unemployed in Canada will read it; however, it would be very interesting to ask young people who have finished their studies in June, what job opportunities are being offered them today.

We could also ask tradesmen about their job opportunities at this time. And I hope I will not be telling the Minister of Labour something he does not already know when I say that, less than a fortnight ago there were a little over 600 plumbers in the city of Montreal who were looking for work and were unable to find any.

The minister referred to a new piece of legislation designed to promote the building industry in Canada. Before he prepares that piece of legislation I hope he will get in touch with his officers in the Montreal area because they will be able to tell him that, at this time, hundreds and thousands of workers in the building trades cannot find any work.

I was quite amused last night when the Minister of Labour asked the hon. member for Hull to mention the name of one unemployed worker in Hull who was looking for a job. I hope the minister's remark will receive all the publicity it deserves, and if so, I would advise him to hire additional secretaries right away, because his office will be flooded with applications within a few days.

On that subject, I should like to renew at this point the appeal I made early in this session to all unemployed, urging them to register as soon as possible at their nearest unemployment insurance office. I think that is a civic duty, because Canada's unemployed, whose number and needs are being denied, have a duty to prove to the federal

government that even in the midst of July, we are faced with greater unemployment than in any comparable period in previous years.

Mr. Chairman, there has been reference to responsibility. At this point, I want to pay a tribute to the new premier of the province of Quebec who has recognized that, when it comes to unemployment, all levels of government have a responsibility and that they must try to find a solution. But, since the matter of the government's responsibility in the field of unemployment has been discussed already may I quote again an excerpt from a speech the Minister of Labour made on March 3, 1955 which we find on page 1694 of *Hansard*:

> Neither the municipal nor provincial governments can exert a great deal of control over the causes of unemployment, which are basically economic. The federal government is the only government which under the powers it possesses can exert control over those causes of unemployment.
>
> I feel it is at this time that the municipal and provincial governments should adopt a policy of doing nothing about the present situation in order to force the federal government to take the responsibility which is rightly theirs.

In that respect, Mr. Chairman, now that I have again put on record views expressed by the minister of labour in 1955, to the effect that it is a matter of federal responsibility, we could make a distinction which, I believe, is important. I think that seasonal unemployment is a responsibility to be shared equally by the provinces and of the federal government. There is also technical unemployment due to changes in industry and production methods. I also believe that in this field both the provincial and federal governments share equal responsibility. But in the field of cyclic unemployment, that is unemployment which is the result of monetary restrictions and fiscal problems, there is no doubt that it comes directly under the jurisdiction of the federal government, which has much greater fiscal powers and revenues than the provinces or the municipalities.

Mr. Chairman: I am sorry to interrupt the hon. member, but his time has run out.

Mr. Pigeon: Mr. Chairman, I have a suggestion for the Minister of Labour. May I first ask him whether the Department of Labour is considering the possibility of amending the Unemployment Insurance Act in order to make the benefits available to agricultural workers? At present, as they have for years, farmers in this country are having a hard time finding farm labour, in view of the fact that job seekers are not interested in farm jobs because this type of work disqualifies them for unemployment insurance. Therefore I ask the government to consider the feasibility of providing for this, and I should like the minister to state his opinion on that point when he has the floor.

[Mr. Deschatelets.]

Mr. Deschatelets: Mr. Chairman, may I add a few words to complete the statement I was making a moment ago. I shall be very brief. I shall only repeat what the Canadian people generally are beginning to think. In other words, what is the opinion today of the average Canadian citizen on this government, particularly in relation to the failure of the means it has taken to solve the unemployment problem.

Mr. Chairman, the Canadian voters, as indicated by a recent Gallup poll, are disillusioned and concerned, because they find that the country is run by visionaries, idealists and dreamers.

In the course of this session, we have discussed all kinds of problems arising out of the imagination of the Prime Minister and his ministers; we have discussed the death penalty, we have discussed the bill of rights.

As for me, just before leaving the House of Commons, I wish to register on behalf of my constituents, people of the working class, their disappointment, their disapproval on the lack of action on the part of this government with regard to one of the most important domestic problems we face today.

Because of this situation, most Canadian voters today want a change in administration as soon as possible. They want a government headed not by dreamers, visionaries or idealists, but by men of action who will take drastic measures, if necessary, and who will fulfil their obligations whenever it is in the interests of Canadians.

(Text):

Mr. Robichaud: Mr. Chairman, the question of unemployment has occupied the house for many hours in the last three sessions of parliament and particularly during the present session. It is my intention this evening, during the few minutes at my disposal, to bring once more to the attention of the minister and the government the present condition of the unemployment insurance fund, but before doing so I should like to place on the record again the statements which have been made in the past by the present Prime Minister, the leader of the government, concerning unemployment. In doing so I wish

to quote his exact words as reported by the press of the country. My interpretation of the Prime Minister's remarks will be somewhat different from the interpretation given to the Prime Minister's declarations last evening by the hon. member for Bromo-Missisquoi—I mean Brome-Missisquoi. Judging by his actions in this house on many occasions, I think the hon. member needs a lot of bromo.

Topping the Prime Minister's list of campaign promises was his promise to spend $286 million in the first six months of 1958 to provide works projects for the nation's increasing number of unemployed. As reported in the Winnipeg *Free Press* of February 3, 1958, the Prime Minister said that his government would not allow the possibility of deficits in the national budget to stand in the way of providing works projects to try to take up the slack in employment.

I would ask the Minister of Labour today, what concrete measures have been introduced since 1958 to take care of the serious condition of unemployment? The facts are that on June 22, 1957, the day after the Conservative government took office, the number of persons without jobs and seeking work in this country, as reported by the dominion bureau of statistics, was 162,000. On the same date the number of applicants for employment registered at the national employment office was 266,000. Today, after over three years of Conservative government, the figures at the end of June for persons without jobs and seeking work is over 300,000, while the number of applicants registered for employment is over 400,000.

Again, as reported in the Ottawa *Journal* of February 15, 1958, the Prime Minister stated on the previous day, February 14, in a speech in his own town of Prince Albert:

> "We are defeating the problem," he said. Figures for the last few weeks showed a slower rate of increase in unemployment.

If they were defeating the problem of unemployment at that time, it has been a long and losing fight for the present government. Answering a question which was addressed to him at the time, where did unemployment come from, the Prime Minister had this to say:

> In the first place because we tied our economy too closely to the United States, losing our markets everywhere else. Second, because small businessmen were strangled by the tight money policy of the former government.

What did we get from the present government? A few months after assuming office, returning from a trip to the United Kingdom, the Prime Minister made his famous declaration on the diversion of trade; that is about all we got from the government, a speech from the Prime Minister on the diversion of trade. In so far as the tight money policy is concerned, there again we know what conditions were in this country, particularly during 1959. In the same speech in Prince Albert the Prime Minister stated that unemployment was 379,000 in February, 1955, and 308,000 in February, 1956, and this under a Liberal government. It is true that this was under a Liberal administration, but in February, 1958 the number of persons without jobs had risen to 538,000 and in February 1959 it was 559,000. Those registered for jobs at the unemployment office in February, 1959 totalled 798,000 and in February, 1960, 817,000.

Under a Liberal administration, in the month of June, 1955, according to a report given by the Canadian statistical review, the number of people without jobs and seeking work had dropped to 157,000; in June, 1956, it was 117,000; in June, 1957, 162,000. This, Mr. Chairman, was under a Liberal administration. The following year after the Conservatives took office in June, 1958 the number of persons without jobs and seeking work was 370,000; in June, 1959, 234,000; in June, 1960, 300,000. The number of persons registered at the national employment offices is still more revealing. Under a Liberal administration, in June, 1955, they numbered 231,000; in June, 1956, 189,000; in June, 1957, 266,000; but after the Conservative government had taken office the number registered at the national employment office rose in June, 1958, to 506,000; June, 1959, 308,000; and this year, June, 1960, 401,000.

The Prime Minister said:

> Did they talk about that then? Did they act?

We have a government today that is not only refusing to talk about unemployment, but a government that is refusing to act and the results are there to show it. On that occasion, the Prime Minister made his famous declaration:

> As long as I am Prime Minister, no man or woman is going to suffer from unemployment so long as public works will provide them the assistance they require.

This was at a time when the Prime Minister was speaking about a huge public works program which would total $1,185 million. What has been the result of this

program? Is it still in the vision stage or has it turned into a mirage? I have another statement made by the Prime Minister, Mr. Chairman, as reported in the Toronto *Star* for February 15, 1958:

> Canada, he said, was experiencing unemployment because its economy was so tightly tied to that of the United States which also was suffering from an economic decline. No Canadian government could exert influence over the United States economy. But the Liberals were partly to blame for binding Canada's economy so closely to that of the United States.

I ask the Minister of Labour, what change has been made now that we have a Conservative government? Then in a national telecast, as reported in the Montreal *Star* of February 19,1958, the Prime Minister said:

> "As long as I am Prime Minister of Canada," he said in a live telecast, "everything than can be done—everything without regard to limit—will be done to the end that no one will suffer."

It is about time, Mr. Chairman, that the Prime Minister started converting some of his promises into action. Mention has been made in this house on different occasions of the winter works program for which we were asked last year to vote $15 million to cover the share of the federal government. Under present conditions, when our municipalities are overburdened with heavy taxes, at a time when the cost of money is at the highest point in our history, this is no time to call upon our municipalities to go deeper into debt in order to participate in this meagre assistance being offered by the federal government. The federal government offers to pay 50 per cent of the cost of wages, and that barely covers the extra cost of undertaking such projects during the winter months.

I could go on, Mr. Chairman, to repeat many more of the statements made by the Prime Minister concerning unemployment. What this government has done during its three years in office has been to dissipate the $500 million surplus left by the previous administration. They have forced this country into additional debt of over $1¾ billion. I want to come back, Mr. Chairman, to the position of the unemployment insurance fund. As I said, this administration has dissipated the unemployment insurance fund which was left by the previous administration. In his remarks yesterday the minister said that in the present estimates we would be called upon to vote a sum of $52,000,000, an increase of $13,500,000, to cover the federal contribution to the unemployment insurance fund. This amount will be far from sufficient to save this fund from depletion. When this government took office in June of 1957 the unemployment insurance fund was $852 million and according to the latest figures given in this house as reported on page 7019 of *Hansard* for Wednesday, July 27, as of June 30, of this year the unemployment insurance fund had decreased to $296 million. I would ask the minister whether in this last figure there is included the $10 million lost to the unemployment insurance fund in the last bond transaction.

Under present conditions and notwithstanding the increase in contributions of close to 30 per cent which was forced by this government on the workers of this country effective as of September 1 of last year the fund of the unemployment insurance commission will soon be depleted. I recall that during a committee meeting—I think it was in 1955—the officials of the unemployment insurance commission admitted that at any time the unemployment insurance fund fell below $500 million it would be in a dangerous condition. According to the figures for last year, with less unemployment and with fewer registered for unemployment insurance benefits than we have this year, the unemployment insurance fund from the end of May to the end of November increased by only $42 million. We can foresee that this year, during the present season, notwithstanding this extra contribution, the unemployment insurance fund will be increased by $60 million or $65 million at the most between June 30 and the end of November of this year; and from November on when we shall likely have, owing to lack of policy of the present government, more unemployment than we had last winter, the unemployment insurance fund will be gradually depleted.

I foresee a situation in which at this time next year the fund will be at a figure of approximately $150 million and when there will be in the fund barely sufficient money to cover the operations of the unemployment insurance commission for a further period of six months to eight months. This is therefore the time for the government to take action. This is the time for the minister to advise this house what are the plans of the government toward the unemployment insurance fund. I know that the minister cannot make this committee or the country believe that the fund is not in a serious position. The time has come for action and we expect that before the estimates of the minister are passed by this committee between now and tomorrow the minister will explain to the committee the policy of the government will regard to safeguarding this insurance fund for the labouring class of this country.

Before resuming my seat I would ask the minister this question in view of the statement he made in the presentation of his estimates on May 15 last year to the effect that amendments to the Industrial Relations and Disputes Investigation Act would be up for discussion during the present session. I would ask the minister to advise the committee now when he expects to bring in the amendments to this act.

Mr. Starr: Not this session.

Mr. Robichaud: The minister told us previously it was not going to be done during this session. We know that it is too late now, although he made the direct statement last year that these amendments would be presented to the house for study during the present session.

The Chairman: Shall vote 164 carry?

Mr. Pickersgill: No, Mr. Chairman. Before it is carried, if no one else in the committee wishes to speak, there are one or two things I should like to say because of some of the observations that were made just prior to six o'clock by the hon. member for Kootenay West who appears to have slept, like Rip Van Winkle, if not for 20 years, at least for the past 15 years; or, if not, to have been suffering from temporary amnesia when he was speaking. He suggested that my friend the Leader of the Opposition had taken an entirely new line, had departed from the traditions of the Liberal party in the twentieth century in what he said this afternoon. I think I can show the hon. gentleman very quickly that, far from doing that, what the Leader of the Opposition is doing is following in the footsteps of a leader of the Liberal party who gave a new orientation to this party which had the effect of giving us the kind of full employment we enjoyed in all the years after the war up until the time the present government came into office.

Some hon. Members Oh, oh.

Mr. Pickersgill: The hon. gentleman suggested that the advocacy of planning—and I do not mean planning in the sense some of the hon. gentleman's friends mean it—and economic planning at that, was something new for the Liberal party. May I say this. In the city of London, on May 30, 1945, in a nation-wide broadcast during the election campaign at that time, Mr. Mackenzie King said this:

> The achievement of full employment and social security will require no less careful planning, skilful organization and wise direction than has been needed in achieving a maximum war effort. In peacetime, the planning and direction of government must be exercised in such a way as to increase, and not to decrease, the opportunities for individual freedom and initiative. At the same time, individual freedom and initiative must not be directed to purely selfish ends. These great qualities must be harnessed for the service of humanity. It is the aim of our policies of full employment and social security to reconcile the maximum of individual freedom with the greatest possible measure of mutual aid in the attainment of human welfare.

Mr. Bell (Carleton): Is the hon. member prepared to identify the ghost writer of that speech?

Mr. Pickersgill: Mr. Mackenzie King had no need of ghost writers. If the hon. gentleman will go back to the end of a previous war he will find in a volume written by Mr. Mackenzie King many years ago—because I recognize the hon. gentleman's insinuation, I may say—many years before I knew Mr. Mackenzie King and while I was still a school boy, similar sentiments expressed in perhaps somewhat different language because that was prior to the days of broadcasting.

Mr. Bell (Carleton): The hon. gentleman is too modest.

Mr. Pickersgill: I would suggest that that is the kind of planning for which the Liberal party stood then and for which it stands now.

I should also like to draw to the attention of the hon. gentleman, because of another observation he made, something that Mr. King said in his last broadcast in that same campaign. It was a national broadcast which the hon. member for Carleton will well remember because it was a broadcast that was made in reply to Mr. George McCullagh when at the last moment he was substituted for the hon. gentleman's leader in their last national appeal before the election of 1945. I just recall that interesting bit of history although it is, I confess, somewhat irrelevant to the minister's estimates. But what I would read now is not irrelevant at all; it is completely relevant. This broadcast was delivered from Ottawa and in it Mr. King said this:

> The Progressive Conservative party has loudly proclaimed that it is the party of private enterprise, of capitalism; the C.C.F. has equally loudly proclaimed that it is the party of public ownership, of socialism. The Liberal party has never accepted extreme positions. We do not believe that more employment and prosperity will be created by the mere fact of changing the ownership of property from individuals or corporations to the state. Nor do we believe that our free way of life is threatened by the ownership and development by the nation of certain great undertakings. For the Liberal party, the test is what will best serve the general interest, rather than special interests, whether those special interests be the interests of a financial oligarchy or a particular class.
>
> Let me remind you that Liberal governments have been responsible for great national enterprises such as the Canadian National Railways which have served vitally in the defence of freedom in this war; like the Canadian Broadcasting Corporation which our Conservative opponents now seem prepared to hand over completely to private

interest; like Trans-Canada Air Lines whose opportunity to develop civil aviation in the public interest has been safeguarded by the present government, despite every effort of our Tory opponents to hand this great national development over to private interests.

The Liberal party believes that the largest part of the employment required must be provided by private undertakings, and the present government is taking vigorous steps to encourage private and corporate enterprise; but, we are equally convinced that, in certain fields, the public interest calls for public enterprise in national development. In those fields, we have not, and, in the future, will not hesitate in the general interest to promote bold action by the state.

Lest hon. gentlemen say that that is a statement made before an election, we know what happened afterwards. We know that between 1945 and 1957 there was a condition if not of full employment, in many cases of overfull employment. It is true that in the winter of 1954-55 and 1949-50 there was a recurrence of seasonal unemployment, but there was no summer through that whole period when there was not full employment. And it did not all happen by chance.

It should not be forgotten that at the time Mr. Mackenzie King made those statements and talked about the planning done by that government at that time he was talking about the problem which was right on the edge of being faced by that government and was putting into useful peacetime employment two million men and women who had been in the armed forces or employed in war industry, the most colossal undertaking in the shifting of employment which had taken place up to then in the history of this country. And that was not done by chance; it was done by planning and by Liberal planning.

So I assure the hon. gentleman that if he has awakened from his slumbers or his amnesia is over he will find there has been a great deal of Liberal planning throughout these years.

Mr. Chairman, one only needs to recall some of those things which have been undertaken. One only needs to recall some of the things which over the years we have been responsible for, such as the St. Lawrence seaway, to mention perhaps the most spectacular of them all; at every stage when the economy needed the extra push and stimulus which it received when there were in the government of Canada men of foresight and forethought and planning. Because all the vision in the world is not much use if you have not got the administrative skill and the practical knowledge and the capacity for executive action that is required to turn visions into realities.

Mr. Martineau: Would the hon. member permit a question?

[Mr. Pickersgill.]

Mr. Pickersgill: I would be delighted.

Mr. Martineau: Would the hon. member tell the committee where all these supermen have gone now?

Mr. Pickersgill: Of course, time takes its toll and it is ten years since Mr. Mackenzie King went to his rest; but it will be many, many years before the imprint he made on this country is forgotten. As for Mr. St. Laurent, who succeeded Mr. King and who served this country as prime minister with incomparable skill and administrative capacity, and a capacity to make decisions and get things done and not play politics and play constantly to the gallery, he served this country in the highest office past his seventy fifth birthday, and the last time he asked for the judgment of the people he got more votes than hon. gentlemen opposite.

Some hon. Members: Oh, oh.

Mr. Pickersgill: If hon. gentlemen would like me to go on with my biographical catalogue I would be glad to, except that I do not think the Chair would like it because I see the chairman looking rather sternly at me.

Now I want to make a comparison. I have here in my hand the latest blueprint for full employment of the present Prime Minister of Canada. We have not heard much from the Prime Minister about full employment since March. That was in the day when this government still believed that the unemployment would end with the coming of spring. A month later they began to have their doubts and since then they have talked very differently.

What did the Prime Minister say in the broadcast of March 3? I have read these words in the house before and perhaps it will be worth recalling the circumstances when the Prime Minister made this speech. On the evening of March 3, within two hours of the time that a debate on unemployment concluded in this house in which he did not deign to take part, he went on the air and this is what he said:

And as you know, there was the unemployment problem which we inherited.

Two years afterwards the Prime Minister was still talking that nonsense. But we do not hear much more about that today because whatever this government may have inherited in the winter of 1957 and 1958, and the hon. member for Laurier has put figures on the record today which make a mockery of that statement, I do not think even the Prime Minister's colossal gall would be sufficient to persuade the people of this country to believe that that inheritance has

persisted up till now, particularly when we remember that last autumn the Prime Minister and the Minister of Finance and the Minister of Labour were all telling us that the recession was over and that everything was rosy in the garden.

If everything was rosy in the garden last October and November it is pretty difficult to blame the not very rosy situation in the summer of 1960 on inheritance from the former government. Whatever this government did inherit, if they are any use at all surely in three years they could do something about the situation they inherited, but the plain fact is that hon. gentlemen opposite simply move from one excuse to another. They blamed the Liberal inheritance as long as they could.

What are they trying to do now? They are trying to fob off the whole unemployment problem on the new premier of Quebec. They have to find somebody else to blame all the time. But one cannot get away from the plain fact which was put on the record by my hon. friend from Laurier and underlined so ably by my hon. friend from Gloucester just now. The fact is that the level of unemployment since this government won the election of 1958, when we were told that as long as the present Prime Minister was head of the government no one would suffer in this country through unemployment has been 50 per cent higher and most of the time 100 per cent higher. I am referring to percentages not to absolute figures; if you take absolute figures their record is very much worse. Let me go on a little further with the Prime Minister's program for full employment of March 3, 1960:

> As you know, there was an unemployment problem which we inherited. I do not want to see a single day of unnecessary suffering—

"Unnecessary suffering." Hon. members know the comment I made the last time I referred to this, and it is worthy of repetition, particularly as I have been quoting Mr. Mackenzie King this evening. We have gone from "no one will suffer" to "no unnecessary suffering but suffering if necessary". In two years that is the progress which has been made.

> "I did not want to see a single day of unnecessary suffering, and neither did my colleagues. The result was that we had to spend hundreds of millions of dollars to provide work from housing and public works and other projects.

If that was the right thing to do in 1958, why is it not the right thing to do in 1960? Why has the government dropped these ideas. Remember that great visionary press release which came out of the east block with all those projects, half of which were, of course, simply in the estimates which had been prepared by the preceding government and most of the rest of which have not been started? That, I suppose, is the hundreds of millions that were spent. What is happening now?

An hon. Member: No money.

Mr. Pickersgill: But here is what he had the gall to say; here is what the Prime Minister had the colossal impudence to try to tell the Canadian people on March 3. He said: "We planned for a deficit." When you think of what the Prime Minister said in 1957 in that election campaign about how wicked it was to overspend in the way the Liberal government was overspending and how wicked it was to be paying off public debt in the way the Liberal government was paying off that debt, and how he was going to reduce the expenditures of this country by half a billion, how he was going to reduce taxes and still balance the budget, what a change in thinking this represents. Hon. members will recall that promise of a budget made by the Minister of Finance in June, 1957—the one he got ticked off for by the Prime Minister who was over in London because there was a clash in the plans—that was before Mr. Roblin discovered this was a Fleming government and not a Diefenbaker government, and perhaps before the Minister of Finance discovered it, either. Anyway the Prime Minister said they planned for a deficit. Secret plans, probably, or, as my leader says, hidden plans. Perhaps we shall be able to discover it and produce it damatically on some occasion when we get back into power although I do not think the Liberal party will need to resort to histrionics of that kind.

Mr. Pallett: At that stage it will be an antique.

Mr. Pickersgill: It was an antique when it was produced. The Prime Minister went on to say: "We had to borrow money." Well, that is certainly an understatement. For 12 years, to enable this country to expand, the previous government paid off the debt of this country and made those funds available for the development of this country—and in two years this government put all that debt back. So when they say they had to borrow money they hardly exaggerated, and perhaps the climate they created then may have had a lot to do with the fact that winter is now extended into July. In 1958 winter went into June. It is winter in July now, and seasonal unemployment is an affair of all four seasons.

That, of course, is an achievement of this government. The Prime Minister went on to say:

> We were, of course, criticized for this, but when I thought of the families of the unemployed I knew for me there was no other course, deficit or no deficit.

An hon. Member: What is wrong with that?

Mr. Pickersgill: What we are entitled to know in a debate on unemployment is whether this is still the policy. Is the blueprint for unemployment now what the Prime Minister said on March 3 or what the Minister of Finance said in the budget, because they are diametrically opposed to each other. The Prime Minister said: "I knew there was no other course for me". Presumably if he knew it then he still knows it today. Presumably this is not something which is entirely in the past. Presumably if it was a good thing to have a deficit in 1958 it is an equally good thing in 1960. But that is not what the Minister of Finance says, although it is what the Prime Minister told the public in a broadcast entitled "The Nation's Business". One cannot blame the people of this country for being confused when this confusion exists right at the top.

Now I come to the Prime Minister's blueprint summed up in one sentence. This is it: "In the same circumstances I would make exactly the same decision again". We have the same circumstances. Where is the decision? What is the decision? What is the government's plan for dealing with unemployment?

I feel sorry for the Minister of Labour. No one can reasonably expect the Minister of Labour to have a plan for dealing with unemployment. As the hon. member for Essex East said earlier in the session, this is not a job for the Minister of Labour, it is a job for the whole government. We should be told by the government, by the head of the government, what the plans are, and those plans should be something much more significant and much more fruitful than the expansion of the winter works program to include a few town halls and the installation of a few street lights. As nearly as I can gather these were the additions which were made to this winter works program in the announcement made the other day before the federal-provincial conference began.

Everybody has said that we desperately need more vocational training in this country, more technical training; that one of our difficulties is that despite the heavy unemployment we have there are still unfilled jobs because we have not competent Canadians in the right places to fill them. What do we find? We find in the estimates this year that the vote for vocational training has been cut down by over $1 million. It may be that this vote will have to be increased by virtue of the announcement made by the Minister of Labour the other day; I assume that did represent a change which would cost something. But I can say that that was not adequate, either.

What should be done today is what the Mackenzie King government did at the end of the war. At that time we had all these young people coming out of the armed forces many of whom had to go and fight for their country at the time they should have been getting their education. What did the federal government do? It paid for the education of every one of them who wanted it and was capable of taking it.

I do not expect the federal government to provide the vocational schools but they can help provide them. I do not expect the government to run them. The government did not take over the universities or technical schools at the end of the war. I do say, however, that when you have a problem as big as this one and when it has developed to the degree it has in certain provinces that simply have not the provincial revenues to bear themselves all of the burden and that if they do provide the training for these people may find that the people leave the province to secure jobs in another province, it is a national task.

Instead of paying 75 per cent the government should do as the Leader of the Opposition and several other hon. members on this side have suggested over and over again. The government should take over the problem of paying the cost for those persons who are unemployed and who are capable of benefiting from training of such a kind that will make them really employable.

There are a great many other things one could say about this subject but there have been a great many things said already. What I started off to do was to have a small and amicable quarrel with the hon. member for Kootenay West who is one of the most amiable hon. members in this chamber, and I was just led on from one thing to another.

I hope that the Minister of Labour who I think probably agrees with me—although I am not going to test cabinet solidarity by pressing him too far on this point—notwithstanding the fact that this is a Fleming government—will do his best at the treasury board in order to be in a position to do a little better than he is proposing to do about vocational training.

Mr. Herridge: Will the hon. member who is the distinguished archivist and historian of the Liberal party permit a question?

Mr. Pickersgill: Certainly.

Mr. Herridge: Can the hon. gentleman point to any lines in *Hansard* which indicate that the Right Hon. Mackenzie King ever spoke about planning in the terms that the Leader of the Opposition did this afternoon?

Mr. Pickersgill: I do not think I could do that offhand, good though my memory for that kind of thing is. However, given 24 hours notice I think I would have no difficulty in satisfying the hon. member on that point. I would hazard a guess that if the hon. member would look at the debate on the setting up of the department of reconstruction which was done in 1944—there would be many other places to look but that is the most obvious one I can think of—he would find precisely what he is looking for.

Mr. Macdonnell: Mr. Chairman, I am sure we have all shared to some extent in the enjoyment that has been evident in the chamber in the past few minutes while the hon. member for Bonavista-Twillingate was having a fine time painting word pictures in which he described the Liberal party as having all the wisdom that has existed from the time the world began while we poor people who somehow or other managed to persuade the Canadian people to employ us again were characterized as just a lot of newcomers who go from one stupidity to another.

Mr. Pickersgill: Oh, I did not say that.

Mr. Macdonnell: There are very few advantages in growing older but perhaps one is that your memory goes back a little and I should like to bring up one or two points to add to the pleasant picture we have had painted for us by the hon. member for Bonavista-Twillingate.

The modesty of the hon. member is something that I always respect but when he has added to that additional qualities, when he is speaking not only for himself but for Mr. Mackenzie King and Mr. St. Laurent, then the hon. member for Bonavista-Twillingate reaches heights to which one can hardly follow at all.

I should like to remind the hon. member of one or two things. According to the hon. member the people of Canada were very fortunate that after world war II we were blessed with a government which did certain things and by its own efforts and wise planning produced for us 15 years of prosperity and after that, sad to relate, when they were defeated and the present government took office, everything began to go wrong.

Mr. Pearson: A very fair description.

Mr. Macdonnell: I am glad the Leader of the Opposition thinks I have been fair in describing what was said by the hon. member for Bonavista-Twillingate. In refreshing the memory of the hon. member I should like to go back to world war I. Many people have forgotten that there was a first great war, but there actually was, and I should like to recall what happened thereafter. It is important that we remember in our more sober moments that wars have actually taken place. It is good to remember that wars always leave the same situations. They succeed in diverting the working population from the usual things of life to things which we do not use in ordinary times and they leave a tremendous gap to be filled.

That happened in the 1920's. Those who have taken the trouble to learn about the twenties will recall that we had a grand time in that period. We thought we had discovered the secret not only of full employment but of perpetual prosperity, and it went on and on. I do not know if the government of that time took all the credit for it but at any rate we did not hear as much about it.

Mr. Martin (Essex East): Because we had unemployment after world war I.

Mr. Macdonnell: Then after world war II we had a similar situation. There was a world wide shortage and we enjoyed prosperity. I will not say that the government of the day did not help it along. I had a considerable respect for the government of that day although sometimes I succeeded in controlling myself and did not come out and express it. I never said that all the things that that government did were wrong. I am quite sure that I sometimes agreed that it was right. But the picture painted this evening by the hon. member for Bonavista-Twillingate of the government of that period being possessed of all highest wisdom, going from one wise action to another, from victory to delirious victory, is a little more than I can stand.

Then the hon. member brought us to the situation that existed at the beginning of 1957. I think the phrase used was that we "inherited" some unemployment. What was the situation? We had taken over from a government that had been in office for many years. There was some unemployment. I doubt if even the hon. member for Bonavista-Twillingate would argue that everything was perfect in 1957.

Mr. Pickersgill: No, nor even in 1956.

Mr. Macdonnell: I imagine that under pressure the hon. member would say that

what we did in 1957 as an immediate palliative in a difficult situation was very good. Then the hon. member brought us to 1958 and 1959.

Mr. Pickersgill: If the hon. member would permit me to interrupt, I should not like to let that statement pass unchallenged.

Mr. Macdonnell: Is the hon. member rising to ask me a question or to make a speech? I think I can speak better without the hon. gentleman competing with me.

Mr. Pearson: The hon. member is a spur.

Mr. Macdonnell: When the hon. member brought us to 1957 I became very interested in his remarks. I often wonder if we do gain in political controversy by refusing utterly to be realistic and by just going all-out and painting extravagant pictures which any, shall I say, fair-minded or independent-minded person, would find very tiresome.

In 1957 we took measures which I think were very effective for the time being. Then in 1958 it looked as if things were very good. We described the situation as best we could and indicated that things were better. We may even sometimes have over-stated it a little. But I would remind the enthusiastic hon. gentleman that we are next door to a nation ten times as big as ours and what was happening here was happening there. I would also say that even though we were disappointed by what happened during 1959 and during the early months of this year, nevertheless the same thing happened in the United States as well. This picture that the hon. gentleman depicted of us as a lot of people who stupidly could not recognize what was going to happen and then suddenly found themselves with a task on their doorstep which they were not fulfilling was to me just the sheerest fantasy, just political enthusiasm running wild.

Let us be perfectly clear about the matter. Statements have been made by the Prime Minister and by the Minister of Labour about things that are being done. They are not all being done before the end of next week but they have been indicated and are being done. Much as I respect the speech made this afternoon by the Leader of the Opposition, and I did respect it, I do not know that it contained any great new earth-shaking remedies that we have overlooked and which would suddenly set the situation right. As a matter of fact, we know that we live in a world full of difficulties. We are not the only people in difficulty, and so I would ask the hon. gentleman to sleep on this and to come back in the morning and tell us what he really thinks about it all.

[Mr. Macdonnell.]

Mr. Pickersgill: Would the hon. member permit me to ask him a question?

Mr. Macdonnell: Don't make it too hard.

Mr. Pickersgill: It is a very easy one. The hon. member referred to extravagant language. I wonder what he would think about this sentence in a speech made on March 3, 1960:

> When we look at what has been achieved in the short space of time, we can only regret that this policy was not put into effect a good many years ago.

This was the Prime Minister talking about development.

Mr. Macdonnell: The Prime Minister does not set himself up to be a wizard and to be able to foresee everything that is going to happen. A great many things have already been foreshadowed by the minister. I would also remind the hon. member that with respect to the difficult situation that is developing, which we admit, we are not the only ones who have been taken by surprise to a great extent; the United States and other countries have as well.

Mr. Martin (Essex East): Does the minister intend to reply to the various requests that were made, notably the one just made by the hon. member for Bonavista-Twillingate, for a statement of the government's policy designed to deal with the present unemployment situation?

Mr. Starr: If the hon. member would take his thoughts back to what I said in my opening statement he would realize that I listed the measures to be taken which were announced within the last week. In addition, I announced another measure to be taken with respect to home improvement loans under which the chartered banks have agreed to make money available for that purpose. I also referred to the closing sentence in the announcement the Prime Minister made last Saturday when he mentioned "other measures" that are now under consideration, and as decisions are arrived at announcements will be made. There is no question of the government sitting idly by and being content to rest on the announcements already made within the last week or so. Rather, other measures are now being considered and as soon as they are ready to be anounced announcements will be made.

Mr. Martin (Essex East): Mr. Chairman, I simply want to say that I followed carefully the statement the minister made when he introduced his estimates. I recall the character of his speech. It was largely devoted to a review of the department's general activities. The minister did not say the government had a program under consideration at all.

Mr. Thrasher: Read *Hansard* and you will see.

Mr. Martin (Essex East): The minister mentioned that the government had announced an acceleration of its housing program. He mentioned that there was going to be further financial assistance of a limited kind for vocational training. He referred to the liberalization to a limited extent of the winter works program. But he surely does not expect the committee to believe that enunciation represents a vigorous program to meet the problem of unemployment which is now serious, which was serious during the winter and serious last autumn. Surely the minister owes the committee a better explanation than the one he has given now and earlier.

I am going to ask the minister whether his department prepares for him an annual forecast some time in the spring or during the year of the unemployment or employment outlook for the coming months. Although we have not learned latterly of the terms, recommendations and analyses of the economic survey or hidden report, we do know that the Department of Trade and Commerce has such a survey made annually. We were told about it by the Prime Minister in the revelations he gave the house regarding this confidential document in 1958. We know that the Bank of Canada prepares a report and undoubtedly the Minister of Finance has such a report prepared for him.

The minister should tell us if there is such a report prepared for him. If there is, should he not table that report, should he not tell us what the employment and unemployment outlook seem to be for this summer, next fall and next winter in the judgment of his officials? We will be called upon shortly to provide moneys for the maintenance and support of a research branch in the Department of Labour, a research branch that is well manned and composed of competent individuals. These gentlemen are engaged for the purpose of assessing the situation. Has such a report been prepared? If there has been, does the minister not think that the house should be informed about its contents? Is there any reason why that report should not be made available? If the Prime Minister thought it was proper to reveal the contents of the economic survey prepared in the Department of Trade and Commerce, surely when we are discussing unemployment we should know from the Minister of Labour whether the kind of prognostications, for instance, made today by the Leader of the Opposition, are valid.

Are these exaggerations? Are these indications of the future sound? If they are sound, then we have a right to ask the minister and the government to outline a program that will be capable of mitigating the severity of unemployment as revealed in these foreshadowings of the future. How can we properly assess the capacity and the validity of the government's program to meet this problem unless we know whether the suggestions as to the future made by hon. members of this party are warranted?

Is there such a report prepared for the minister? If he feels it is a confidential document and that it cannot be given, are we not entitled to have from the minister, if not the actual report, its conclusions, its assessments, its portrayal of the situation? Is the Minister of Labour to be regarded as having satisfied the obligations that are his at the moment unless he gives us at least some general indication of what is contained in such a report, if there is such a report? If the minister says there is no such annual report prepared for him then, of course, that ends it, but I cannot conceive that in the Department of Labour, particularly having in mind the research branch, that that kind of foreshadowing is not given by the departmental officials.

We are entitled to know whether there is such a report, whether it is pessimistic, whether it is optimistic. Does it indicate anything that will confirm the suggestions made by the research organization to which the Leader of the Opposition referred, a body which has indicated that we are going to be confronted with levels of unemployment certainly comparable to what we have had during the past year and the previous year and the previous autumn?

Are these prognostications wrong? They are public. They have been made by these various bodies, and do they confirm the assessment made by my hon. friend's officials? Does the government, if such a report exists, accept the assessment made by these officials, if it has been made? Does the government think they are exaggerated or does the government agree with them? Surely we are entitled to know whether, in the opinion of the government, unemployment is going to be lower or higher in the ensuing period. If we are going to have a high level of unemployment, now in these last days of this session we are entitled to know from the minister what steps the government is now taking; not what steps it is considering taking after the damage has been done, but what steps the government is going to take in anticipation of meeting this problem. Surely that is not an unfair demand to make of the minister.

Then it seems to me we are entitled to know from the minister if these projections into the future are close to the mark, close

to the estimate made, and whether the government is going to be prepared to answer the question which I asked the Minister of Labour when I spoke following his statement yesterday, and that is if unemployment is likely in the autumn and next winter to be as serious as last winter. Will the government call parliament together so that these plans and these programs can be considered or is the government going to allow this problem to drag until the next session of parliament is called? This is a proposition that was put to the Prime Minister, and one with which I do not believe he has sought to deal. It is one for which he has the responsibility to deal.

Mr. Starr: That is nonsense.

Mr. Martin (Essex East): My hon. friend says it is nonsense, and I regret he says that.

Mr. Starr: I say that, if I might interject, because the hon. member has made this charge that I have the responsibility for calling parliament to deal with these matters; that I should make that announcement. The hon. member well knows that if he wishes that information he should inquire of the Prime Minister.

Mr. Martin (Essex East): I did not say the minister was responsible for calling parliament together.

Mr. Starr: That is exactly what you said, that I should announce parliament will be called.

Mr. Martin (Essex East): The minister is a member of the government and he can tell us whether it is the intention of the government, as the result of a collective decision made by cabinet, to call parliament together to deal with this problem if it reaches the serious proportions which have been suggested.

I should like to ask the minister another question. What organization has been set up in cabinet itself to consider this problem? I am not asking the minister to tell us what discussions have taken place in cabinet. This question was put on another occasion and the Prime Minister said that was an improper question, but the Speaker did not agree. It is surely open to us to ask whether the cabinet is organized to deal with this problem. Is there a cabinet committee? Who is the chairman of that committee? Is it the Minister of Labour? Is it the Minister of Finance, or has the chairmanship of that committee been assigned to the Associate Minister of National Defence? Is that the case?

If that is the case, why is it the case? Are we now tying the unemployment problem to national defence? Is that the policy of the government? Is the Minister of Labour himself a member of that committee? Is the Minister of Finance a member of that committee? These are questions which I feel the Minister of Labour himself must answer if he is to satisfy some of us who are now dealing with this problem.

Mr. Starr: I do not believe it is possible to satisfy the hon. member for Essex East at all.

Mr. Martin (Essex East): My hon. friend says it is not possible to satisfy the member for Essex East. I will say this to the minister. What the minister has said thus far on this problem has certainly not satisfied the member for Essex East. It has satisfied no one in this party, and I am of the opinion it has not satisfied a substantial portion of the Canadian public, because the government in this discussion has sought to underplay and to underestimate the severity of this problem, if we are to judge by the reactions we have had from the minister.

I have one more observation to make. The other day the Prime Minister announced the establishment of a royal commission to examine into the conditions that exist now in the automobile industry. This was pursuant to a request made by the united automobile workers, who made representations to the government a month ago, one week after representations had been made by the management of the various automobile plants in Canada. It followed representations that had been made by the parts manufacturers in that industry. It took the government some time to make the announcement, in spite of the fact that as soon as the representations had been made for the establishment of a royal commission or a reference to the tariff board the Prime Minister intimated his sympathy and support for such a proposition. The Prime Minister thought perhaps the royal commission would be the best vehicle.

Having decided on this course the government should not feel it is discharging its responsibilities as to unemployment in that industry or, for that matter, in allied industries. The government should not feel this device, in itself, is capable of resolving the problem of unemployment generally. The royal commission is a long term project and it is not going to deal with the situation at once. Are we to wait until such a body reports before we have some statement of policy from the government, for instance with regard to the excise tax on automobiles, which the Prime Minister told us during the course of the election campaign would be

removed because of the severity of unemployment. We have had no comment whatever from the minister on this particular subject, notwithstanding the fact it was announced by the Prime Minister as a method of dealing with unemployment in Canada. It is one thing to make an assessment, one thing to make a study of a problem, but these studies take time and they are not to be regarded as vehicles which enable the government to continue its program of procrastination, delay and lack of solutions.

I say these things to the minister. I say that my colleagues regard the minister as an unfortunate prisoner in this situation. We do not blame him personally, but he is the Minister of Labour, and to whom else can we address our remarks if we are not to address them to the minister on these estimates? He is the member of the government who has the responsibility in connection with what the people of Canada regard as the foremost domestic problem, possibly apart from national defence, although the problems there have international tones as well. So, as we get into the estimates that are now going to be discussed, we will be afforded an opportunity of dealing with certain aspects of the problem, but the minister still has an opportunity to rise in his place and examine this problem as it has been examined by the Leader of the Opposition today.

The speech made by the Leader of the Opposition today is one that I know will commend itself to the Minister of Labour. The Minister of Labour will hold it out as a model for all members in opposition, and I will agree with him. The point is that speech made by the Leader of the Opposition is the kind of speech, in part, that should be made by the Minister of Labour. He is the one who should make an analysis; he is the one who should lead in this problem instead of waiting to be prodded into replies, and replies which so far have not revealed that this government has a program consistent with its assurances or which is capable of dealing in a vigorous, fundamental way with a problem that is of great concern to the great majority of the people of our country.

Mr. Starr: Mr. Chairman, the hon. member for Essex East evidently does not want to accept the statement that has been made by the Prime Minister. As he well knows, being a former privy councillor, no announcements are made until whatever the government wishes to undertake in the way of a particular project has been decided on definitely. I cannot make the matter any clearer to him. I doubt greatly whether he will be satisfied with anything at all, knowing him as I do.

Then to reiterate the words of the Prime Minister on July 23 as reported in *Hansard* at page 6817, we find the following:

—and that further projects and plans to meet the unemployment situation will be announced in due course.

The hon. member for Essex East has ridiculed some of the projects that have been put forward. He has called the municipal winter works program a bagatelle.

Mr. Martin (Essex East): That is right.

Mr. Starr: He has said it is not the fulfilment of the recommendations of the Canadian federation of mayors and municipalities.

Mr. Martin (Essex East): Not fully.

Mr. Starr: I should just like to point out to him that in the submission of the Canadian federation of mayors and municipalities of April 9, 1959 under the heading of "Unemployment and municipal winter works" this sentence is to be found at page 4:

The municipalities are of the view that the municipal winter works program has justified itself and they commend the dominion government for initiating the program.

Mr. Martin (Essex East): I do not quarrel with that statement.

Mr. Starr: Then again on page 6, in paragraph 4, they say this:

They are also strongly of the view and urge that the range and nature of eligible projects be broadened and extended to include inside as well as outdoor local works, including construction repairs and maintenance on municipal buildings and institutions, water-works and sewerage disposal plants, parks and recreational facilities, maintenance and improvement of municipal sources of water supply and municipal dumps, work on traffic and street name signs, and similar municipal works and requirements.

We have done this in this new broadened program that we have announced, and the hon. member says that is not satisfactory.

Mr. Martin (Essex East): That is not sufficient, I said.

Mr. Starr: That is not sufficient, the hon member says. I have here a letter from the Canadian federation of mayors and municipalities dated July 26 over the signature of His Worship Mayor S. L. Buckwold, president. He is the mayor of Saskatoon and president of the Canadian federation of mayors and municipalities. The letter reads as follows:

Dear Mr. Minister,

The widening of the federally-assisted municipal winter works program to include additional types of construction projects which will be eligible for federal financial aid is along the lines of the recommendations made by the federation to the federal government in April, 1958.

The municipal governments will welcome the announcement that federal financial assistance is to be extended to the construction, repairs and maintenance of municipal buildings, as well as

outdoor winter construction and maintenance jobs. I am confident that many of them will avail themselves of the enlarged program that will now be possible with a resulting larger volume of local employment during the winter months.

The federal government is to be commended on the action it has taken with respect to this important matter.

Believe me to be

Sincerely yours,

S. L. Buckwold
President.

That letter in itself speaks entirely differently. I refer to the letter of the president of the Canadian federation of mayors and municipalities. That is contradictory to what was said by the hon. member for Essex East.

Mr. Martin (Essex East): He does not say anything different.

Mr. Starr: The hon. member for Essex East has said things that are not facts and at times there is some question as to the veracity of his statements.

Mr. Martin (Essex East): Since my hon. friend has questioned what I have said or in other words has said that what I have said is untrue, let him point out one statement I made that cannot be backed up. What my hon. friend has now said is not different from what I have been saying. I said that this winter works program is a bagatelle, that it does not deal with the problem and the president of this organization does not say that it does.

Mr. Starr: Mr. Chairman, just in order to cite one instance that bears out what I have said with regard to his veracity, here is a statement made by the hon. member. I refer to *Hansard*, at page 4134, in the second column at the bottom of the page. There we find the following stated by him:

In the Moncton *Times* of May 17, 1960 at page 14 I find these figures. I presume the editor got his information by calling the local regional office. The number of live claims reported in that area—

These are the exact words.

—for April 30, 1960—

And I want to draw your attention, Mr. Chairman, to the fact that the hon. member for Essex East says this with regard to the number of live claims reported in that area, that is the maritime area, by the regional office.

—was 714,000, as compared with 610,000 on April 30, 1959.

Then he goes on to say how much it represents. Mr. Chairman, that happens to be the total for all of Canada, not for that area.

Mr. Pickersgill: It is an obvious misprint.

[Mr. Starr.]

Mr. Martin (Essex East): It is an obvious misprint; anybody can see that.

Mr. Pickersgill: If that is the best the minister can produce, it is not worth much.

Mr. Starr: Mr. Chairman, no correction has been made of *Hansard*. It has been taken as a correct statement. He was misleading the house in what he said.

Mr. Martin (Essex East): I rise on a point of order—

Mr. Starr: Mr. Chairman—

Mr. Martin (Essex East): —or on a question of privilege. The hon. gentleman has said that he questioned my veracity. That is an unparliamentary statement and I ask the minister to withdraw that statement at once. I am capable of making a mistake but my veracity will stand with that of the hon. gentleman any time.

Mr. Starr: Mr. Chairman, I want to complete my case.

Mr. Martin (Essex East): I have asked the minister to withdraw that statement.

Mr. Starr: I cannot do so because I have more facts here.

Mr. Martin (Essex East): Mr. Chairman—

Mr. Starr: I was curious, Mr. Chairman—

Mr. Martin (Essex East): Mr. Chairman, I have risen on a question of privilege.

Some hon. Members: Oh, oh.

The Chairman: Order. Has the minister any comment to make on the point raised by the hon. member for Essex East?

Mr. Starr: Yes, Mr. Chairman. My comment is that I have further proof that he was trying to mislead the house in the statement that he made.

The Chairman: I was referring to the point of order raised by the hon. member for Essex East with regard to the discussion that was going on.

Mr. Starr: I looked up the Moncton *Times*—

The Chairman: If the minister will permit me to do so I will indicate to him that of course it is not in accordance with our practice to intimate that an hon. member has not spoken the truth. A difference exists when one says that a statement was not true. That is permitted. However, I would caution the minister that he was coming close to attributing to the hon. member an intentional misleading of the house, something which is entirely contrary to the rules. He might wish to indicate clearly that such was not his intention.

Mr. Martin (Essex East): Mr. Chairman, the point was not that I was misleading the house. The hon. gentleman said that what I said was untrue. He attacked my veracity.

An hon. Member: He did not.

Another hon. Member: He did.

Mr. Martin (Essex East): The hon. gentleman said that what I had said was a reflection on my veracity. That is what the hon. gentleman has said. I ask him to withdraw that statement, and according to our rules he must do so.

Mr. Starr: If the hon. member objects to that statement, Mr. Chairman—

Mr. Martin (Essex East): I am rising on a point of order.

Mr. Starr: If the hon. member objects to that statement and if it is your wish that I should withdraw it, Mr. Chairman, I will gladly do so.

I refer again to what was said and I want to repeat it. At the beginning of the paragraph which contains these words "In the Moncton *Times* of May 17, 1960 I find these figures". I obtained a copy of the Moncton *Times* dated Tuesday May 17. At page 14 there is an article headed "Spring employment boom seem for Atlantic area". As I look through this whole column or this whole write-up I do not find one figure that was quoted by the hon. member who gave the impression that these figures appeared in the statement in the Moncton *Times*.

That leads me to believe that I would have—

Mr. Pickersgill: Would the minister repeat the page reference in *Hansard*?

Mr. Starr: It is *Hansard* for Monday, May 23, 1960, page 4134, the last paragraph in the righthand column.

That naturally leads me to look very closely at some of the statements which are made by the hon. member for Essex East. He wants to know whether there are any reports on the outlooks in the labour department. The hon. member for Essex East was a parliamentary assistant to the minister of labour at one time and knows whether there are any reports or whether there are not. Most certainly there is no need for him to ask for any interdepartmental report which may be in existence, and I do not say there is one, to be revealed to him just because he wants to know. The same thing applies to any matters relating to cabinet decisions. Surely it is not intended that I should break my oath in any way to reveal what is going on in cabinet, in the privy council.

Mr. Martin (Essex East): No one suggested that.

Mr. Pearson: Mr. Chairman, my hon. friend from Essex East brought up some important points and asked some important questions of the minister to which he did not receive a reply. The minister spent most of his time dealing with some statements which the hon. member was supposed to have made in the house last May. If he did make them the minister had an opportunity to deal with them at that time.

What we are doing now is trying to get from the minister an assessment of the position which is facing us in this country at this time in connection with unemployment and what the government is going to do about it. It does not help the unemployed of this country very much to have the minister go back to May and find that the hon. member for Essex East said something which the minister does not like and which my hon. friend will undoubtedly deal with when he gets up.

I ask the minister whether he feels that the assessment we have made of the position is a reasonable one and whether he feels we are facing a difficult and dangerous situation in respect of unemployment. I have a great deal more evidence which I could put on the record, not evidence from our side but evidence which has been submitted by objective experts outside the House of Commons, as to the dangers and difficulties which are facing us in the unemployment situation in this country at the present time.

We are asking the minister whether he feels that there may be trouble ahead next winter, whether he feels that this winter works program which he has mentioned, which he says will be increased, is adequate to deal with the situation which may face us. It is the only program—I think I am fair when I say this—that the minister has put forward in this debate to deal with unemployment. I think the maximum figure under that program last winter that I have seen was some 40,000 jobs.

Mr. Starr: It was 51,000.

Mr. Pearson: It was 51,000. That was as a result of co-operation between the federal government and the municipalities, at a time when we had hundreds of thousands of unemployed, and these 51,000 jobs were not all created by this particular arrangement. A good many of those jobs would have been in existence through the policies of the municipalities themselves. If we allow that half of those 51,000 jobs were created specifically by the plans of the federal government in co-operation with the municipalities I think we would be fair. That would mean that 26,000 extra jobs were provided

for a few weeks or a month or two to deal with a problem which faced the country in terms of three quarters of a million people at that time out of work.

If the minister says there is to be an increase in that program this year and we may get another 10,000 or 15,000 jobs, does the minister think that will be enough to deal with the situation which confronts or may confront this country in the coming winter?

Mr. Starr: No, I do not.

Mr. Pearson: If the minister does not think so, perhaps he will indicate to us what other plans the government has in mind.

There is one other question. The hon. member for Essex East made some reference to the organization of the cabinet in respect to unemployment plans. He was not asking for the betrayal of any cabinet secrets. We know the minister cannot be asked to do that and that he would not do it; but we do ask the minister, is there such a thing as a cabinet committee on unemployment which has been working? Surely we are entitled to know that. Surely we are entitled to know if there is cabinet machinery which is specifically dedicated to this particular problem which has been set up by the government, what that machinery is and who is its chairman. Surely that is a fair and reasonable request to make of the minister.

Mr. Starr: I have found the Leader of the Opposition to be a reasonable man at all times, unlike the hon. member for Essex East. Surely he can understand my position as Minister of Labour, that I can only announce the plans which have been formulated by the government. That is as far as I can go. In relation to the plans which have already been announced, I have quoted the words of the Prime Minister. I hope he can understand that nothing more can be said at this time on these estimates.

With regard to what has been done in the cabinet and whether there is a cabinet committee, the hon. member for Essex East knows that there is, and so does the Leader of the Opposition. They have read it in the papers and the hon. member has quoted the chairman of this committee. What else is there to know? Do they want to know where we meet or what hours we sit?

Mr. Martin (Essex East): Who is the chairman?

Mr. Starr: The same designated member that the hon. member referred to.

Mr. Martin (Essex East): Why is not the Minister of Labour the chairman?

Mr. Starr: The Minister of Labour is an active participant in that committee and there is no reason why the hon. member should say the Minister of Labour should be chairman. We alternate on many of our cabinet committees, and some of us are chairman on one and some one others.

Mr. Pearson: We have now learned—

Mr. Starr: You knew it all the time.

Mr. Pearson: —that the rumours we have heard that there is a cabinet committee on unemployment have a foundation in fact. There is such a cabinet committee and the chairman of that cabinet committee is the Associate Minister of National Defence.

If the minister will permit me I propose to deal with one other aspect of this winter works program which I meant to mention a few moments ago but forgot. This is going to be extended in some respects this winter and we hope it will result in some more jobs than those which were created by it last year. But there will be an increasing difficulty this winter, surely the minister admits, because of the fact that some of the municipalities—and my hon. friend who has some experience of municipal administration; he spoke about this last night—will be unable perhaps to take advantage of this program owing to their financial situation.

The submission by the federation of mayors and municipalities to the government of April 9, to which reference has been made more than once, contains this paragraph and I ask the minister to consider this as having a bearing on his new plan for winter works:

> By and large, however, it can be said that the financial difficulties that municipal governments are experiencing do not arise primarily from the increased operating and administrative costs of municipal government, nor even from the costs of normal local improvement requirements. The difficulties arise consequent upon the inability of municipal governments to finance the high costs and carrying charges of urban renewal requirements and the requirements occasioned by rapidly expanding urban growth... The difficulties of municipal governments are more in the field of capital costs rather than in the field of actual operating and administrative costs.

Does the minister not think that these figures may prejudice the success of this new and expanded scheme of winter works he has been telling us about?

Mr. Starr: That may be the case with some municipalities, I have no doubt. I have had experience with municipalities and their problems and I know the difficulties encountered but we are hoping that in the main it will not be so. We hope that interest rates will be lower—they are on the downward trend now—and we hope they will be lower still. However, new municipal work has been going on for years and I feel certain the municipalities will take advantage of this program and that it will be a more satisfactory program

than last year and that many more people will be given employment as a result. That is as far as I am able to know at this time.

Mr. Martin (Timmins): We are very interested in this particular aspect of the minister's estimates and I also would like to ask a couple of questions. Possibly they may seem to be in a similar vein but I will endeavour to make them a little more explicit and a little less wordy, perhaps, than the questions asked by the hon. member for Essex East and the Leader of the Opposition.

The minister mentioned with pride that the association of municipalities had expressed appreciation of the winter works program. I should like the minister to say, as the labour spokesman of the government, if the government believes that this winter works program is a cure for this unemployment problem or whether it is just a palliative.

Mr. Starr: I have said time and time again, and the hon. member must know, that provision for 51,000 jobs is not a cure for unemployment. But we have announced other measures; we have announced the retraining of our unemployed people so that they may fill vacancies that now exist. We have announced an extended home building program; we have got the chartered banks to agree to making home improvement loans. Further, I want to repeat what the Prime Minister has said, namely that further projects are under study and will be announced as soon as decisions are reached. Certainly the winter works program is not a cure for the whole problem but it should help substantially.

Mr. Martin (Timmins): I should like to ask the minister a further question and it is this: has this government given any thought to the problem of the slums, not as a big drive once in a while but as the object of a steady program of slum clearance? The slums grow and grow every day. In view of the unemployment situation has the government given any consideration to a clearance and rehabilitation program which will try to keep up with the growth of the slums on a national scale?

Mr. Starr: That is a matter which comes under the Department of Public Works. I must say at once that I am not acquainted with all that goes on in that department and its complete undertakings. My understanding is that a number of slum clearance schemes have been entered into with municipalities, but that is all I know.

Mr. Martin (Essex East): The Minister of Labour will, I am sure, regret what he said. I have attacked his policies vigorously; I have never attacked him personally as he has done tonight with one hon. member. As I said, we will not forget.

It is obvious from an examination of the record what was said on the day to which the minister directed our attention, May 23, 1960. He did not read the whole statement. In the paragraph above I was obviously dealing with the national situation because I said as reported at page 4134:

> I was saying that normally we would have had the unemployment statistics for the last available month given to us last Wednesday or Thursday.

Then I went on and said:

> The number of live claims reported in that area for April 30, 1960 was 714,000 as compared with 610,000 on April 30, 1959.

Now the population of New Brunswick is about 600,000 including men, women and children, those employed and those unemployed, and how anyone could draw the deduction as the Minister of Labour has done to the effect that I was saying this represented the total number of unemployed in that province is, of course, fantastic. I went on to say:

> If that is any indication, then whatever figures may be released later this week or later still, will be an indication that the situation continues to be serious.

It is obvious I was referring to the national figure. For the minister to suggest that I was trying to convey the impression that 714,000 as compared with 610,000 represented the unemployed or the applicants in that province is just too ridiculous to deserve any further mention.

Mr. Starr: I appreciate the hon. member pointing that out, but when he jumped into that last paragraph he did not start with the first sentence. He started with the second sentence. The first sentence reads as follows:

> In the Moncton *Times* of May 17, 1960 at page 14 I find these figures.

Now there are no figures at all and we find that the figures the hon. member quotes here—he continues—

> I presume the editor got his information by calling the local regional office.

Mr. Martin (Essex East): Certainly.

Mr. Starr: I continue:

> The number of live claims reported in that area for April 30, 1960 was 714,000 as compared with 610,000 on April 3, 1959.

The record speaks for itself.

Mr. Martin (Essex East): May I just say to the minister that I hope he will not continue to make himself ridiculous. Does anyone deny that the local paper could call the local office and get the national figures? Does anyone suggest seriously that the figures for New Brunswick could be anything like that, when those are the national figures? I suggest to the Minister of Labour that by using the kind of argument he does now and as

he did a moment ago he reveals a complete bankruptcy of policy with regard to unemployment.

Mr. Starr: It does not matter what the hon. member says about me personally—

Mr. Martin (Essex East): I did not say anything about you personally.

Mr. Starr: I am just pointing out what the hon. member put on record in *Hansard* and led this house to believe. The hon. member had a copy of the Moncton *Times* on his desk a few minutes ago. He looked it up and did not find those figures and sent the copy away.

Mr. Martin (Essex East): That is not a fact. Why does the minister persist in making statements which only reduce his stature.

Mr. Starr: I do not want to be reduced to the stature of the hon. member for Essex East.

Mr. Martin (Essex East): If I was there I would do something about it.

Mr. Pearson: We have come to a sorry state of affairs if members of the house could be deceived by a statement which refers to 703,000 unemployed as applicable to a population as small as that of New Brunswick. If that is misleading hon. members they are, indeed, very easily misled.

But that is not what I got up to say. I wanted to repeat a point which I put to the minister a while ago. I have drawn attention to some of the difficulties and dangers of the unemployment situation which may face us this winter and in doing so I have tried to avoid what the hon. member for Greenwood rightly deprecated a few moments ago, namely the language of exaggeration. The figures that I gave indicate that there is in our view the likelihood of a situation which may well be as bad as that which prevailed last winter. I ask the minister whether he agrees that that is a reasonable analysis of what might happen in the employment field this winter in the light of the indices which are before us now?

Mr. Starr: Mr. Chairman, I certainly hope the situation will be much better than it was in the last two winters.

Mr. Pickersgill: Mr. Chairman, I should like to ask the minister if he thinks his hopes are as well founded as the hopes he expressed to the Canadian people on "The Nation's Business" on February 4, 1960? I will place the hon. gentleman's words on the record and I think that all hon. members will judge the Minister of Labour by his own words and his own assessment made on February 4 this year over television to the Canadian people with respect to this situation. This is what the hon. gentleman said:

[Mr. Martin (Essex East).]

Today, the recession is over and the rate of inflation is at the lowest point in many years, and well below the average rate for the whole century.

The policies we adopted and the measures introduced were effective in beating the recession and in keeping up a level of economic activity that provided more jobs for Canadians than at any time in our history.

Mr. MacInnis: Is that not all true?

Mr. Pickersgill: More and more people to have jobs?

Mr. MacInnis: Mr. Chairman, will the hon. member permit a question?

Mr. Pickersgill: Yes, Mr. Chairman, but perhaps the hon. member should address his question to the author of those words.

Mr. MacInnis: I should like to ask the hon. member if he is not referring to the very same minister he expressed the wish to have on his side not too long ago in this chamber?

Mr. Pickersgill: Well, yes, I think—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —I think the hon. gentleman is right and I am not so sure the minister would not be a lot happier if he were on this side.

Mr. MacInnis: Certainly you would be. We are talking about your happiness.

Mr. Pickersgill: Perhaps the hon. gentleman could contain himself, if I may quote the Minister of Justice, and make his speech a little later.

Mr. Pallett: The great interrupter objects to being interrupted.

Mr. Pickersgill: No, not very much. I do not think that hon. members can really say I have ever objected very much to being interrupted.

I should like to go on with what the Minister of Labour said in the assessment he gave on February 4, 1960 with respect to the economic situation and the labour picture because these words must be measured. This was a minister of the crown with access to all these secret documents that we are not allowed to see, although hon. gentlemen opposite do not mind exposing the secret documents of other hon. gentlemen, that being their idea of honour. They keep secret their own records but they attempt to distort, take out of context, tear off the covers of documents belonging to other people. A more shocking breach of constitutional practice never took place in the history of this parliament than the Prime Minister perpetrated on January 20, 1958, and there are some of us who will never forget that.

Mr. Aiken: You sure won't.

Mr. Pickersgill: No, we will never forget that example of the way in which the Prime Minister gets his temporary effects, and for the benefit of hon. gentlemen opposite, I underline the word "temporary".

Mr. Kucherepa: You have the date wrong. You are all confused.

Mr. Pickersgill: I go back to the minister's words. The minister was telling the Canadian people about the recession being over, about the rosy world in which we found ourselves in February of 1960. The hon. gentleman went on to say:

There is no defeatist attitude on the part of this government. We will take whatever measures are necessary—

But they will not tell parliament what they are, not even in August. I continue:

—in order that the expansion of our economy will continue and that we will move ever closer to the goal of full employment.

Look at the statistics month by month. There is only one way to describe the way in which we are moving closer to the goal as it has happened since the minister used those words, and that is by reference to Lewis Carroll's "Through the Looking Glass". I continue:

In the meantime, we will continue to take steps to alleviate the situation of those who, through no fault of their own are temporarily unable to establish themselves in the labour market.

I think that latter phrase is gobbledygook for "get a job". I continue:

There was never any room in this country for pessimism. There is less excuse today than ever before.

This was in February, 1960. I continue:

Wherever you look, the outlook is optimistic.

Some hon. Members: Hear, hear.

Mr. Pickersgill: The following words are extremely interesting:

More Canadians at work. Labour income on the rise. Exports up. Automobile production setting new records.

Mr. Starr: It has, too.

Mr. Pickersgill: I continue:

Canadians spending more and earning more.

Mr. McIntosh: That is right.

Mr. Pickersgill: Note these words:

Certainly in all this, no cause for alarm. There are many problems still to be faced. I would like to assure you of one thing. This government will continue to face up to the problems in the future as it has in the past.

That is exactly of what we are afraid. The government is facing up to the problems of the future exactly as it faced up to problems in the past. How does it face up to them? By turning its back on them and pretending they are not there as it does with this one. The minister went on to say:

We will meet these problems as we met the recession.

You see, it was over by then. I continue:

With the help and co-operation of the Canadian people, we will overcome the problems in the same way that the recession has been overcome.

There again, that is just what we are afraid of. We are afraid that the government is meeting this problem now in exactly the same way as it overcame the recession.

I assume that in making this assessment the minister was speaking honestly. I am not suggesting the contrary. I assume that the minister would not make this statement to the Canadian people without getting the advice of all the advisers of the government because that would have been a pretty dreadful thing to have done if he gave this kind of optimistic report and it was not justified by the advice he received from the economic advisers of the government. If the minister was so misled—so seriously misled—as recently as February of this year, what grounds has the minister for confidence that the hopes he just expressed to my hon. friend without giving any foundation for them—

Mr. Starr: May I interject now? As a Canadian I have the greatest confidence in the future of this country even though the hon. member seems to lack it.

Mr. Kucherepa: The hon. member lost his confidence on June 10, 1957.

Mr. Pickersgill: Mr. Chairman, it is not that I lack confidence in the country. I lack confidence in this government, and I may say that that lack of confidence is shared every day by a growing proportion of the Canadian people. Evidence on every hand has shown this in the last few weeks. But the fact is that I am sure this country will survive this government as it survived the last Tory government. But why, sir, why do we have to suffer these things once in every generation?

Mr. Pearkes: Because you are so weak.

Mr. Pickersgill: That is not a question I expect the minister to answer. That is a question I put to the Canadian people and I am confident how they will answer.

Mr. Bigg: Why not blow that through a pipe line?

Mr. Pickersgill: The question I do put to the minister, however, is the one put to him by the Leader of the Opposition and the hon. member for Essex East. It is a question to which I think the elected representatives of the people are entitled to have a straight and

careful answer. That question is this. What is the assessment made by the minister's officials and the other economic advisers of the government who presumably join together to advise this cabinet committee of which we were told—I presume they do not act in the dark—what is their considered joint advice as to the prospects for employment for the coming months and for the coming year?

Mr. Bourque: Mr. Chairman, last night in my argument I brought out the fact that on the basis of the 50 per cent that the government gives to municipalities for winter works programs a municipality would gain to the extent of approximately 8.70 per cent by doing a job in the winter instead of the summer. The government pays 50 per cent of the labour cost of any job and the minister told us the other day that labour represented 34 per cent in these jobs. I showed last night that municipalities would benefit to the extent of 8.70 per cent. Municipalities have to pay 5¾ per cent on their borrowings and very few municipalities are able to borrow money today at 5¾ per cent or at any cost.

At the end of 1958 the total outstanding debt of all the municipalities of Canada was $3,384,700,000. So far as taxes are concerned, the federal government collects 61.8 per cent of all taxes, the provincial governments 21.3 per cent and the municipalities 16.9 per cent. On the basis of these percentages it is practically impossible for any municipality to undertake any municipal works at the present time unless the federal government comes to its help. How can they undertake winter work programs under the 50 per cent plan when it will only give them an advantage of about 8.70 per cent and they have to borrow money at 5¾ per cent?

Mr. Pickersgill: Surely, Mr. Chairman, the minister is going to tell us what in the judgment of the government employment prospects for the next few months are. Maybe the minister cannot tell us what they are going to do about it because they cannot make up their minds. We know that they cannot decide anything, but surely the minister can at least tell us what he considers the problem to be or whether he thinks there is a problem. In February there was no problem, according to the minister, but surely now even the minister realizes, with the kind of figures we had for June, that there is a problem which is not going to fade away by itself. Surely he has enough respect for parliament to tell us what the considered assessment of the government is as to the magnitude of the problem.

[Mr. Pickersgill.]

Mr. Starr: Mr. Chairman, I hope there is no question about my respect for parliament. I think it has been above reproach, but that has nothing to do with the question the hon. member asked. I want to say to him, if this is the information he thinks he requires, that I have had no indication from the economics branch as to what the employment picture looks like for the coming fall and winter.

Mr. Martin (Essex East): Has the minister asked the economics branch what is their assessment of the future?

Mr. Starr: In certain discussions with them they have said it is too early to make a prediction yet.

Mr. Pickersgill: Before the item carries, I see that the Minister of Trade and Commerce has just come into the house and I wonder whether I could ask the minister—

Some hon. Members: No.

Mr. Pickersgill: —who is a member of the government and under whose department a very celebrated document is prepared annually, which the minister will well recall, if he can give us a brief summary of the views as to employment prospects that would have been contained in that document.

Some hon. Members: Carried.

Mr. Ricard: Carried.

Mr. Martin (Essex East): The hon. member for St. Hyacinthe-Bagot says, "Carried". I would expect him, as the representative of a large industrial area, to join with the rest of us in trying to ascertain what are the prospects for employment in this country. The minister has said that the economics and research bureau has said it is too early to indicate what the situation will be in the future, but can the minister tell us what are the prognostications of the economics and research branch as to the situation for the balance of this summer and for the months of September, October and November.

Mr. Starr: Are you asking me?

Mr. Martin (Essex East): Of course I am asking the Minister of Labour.

Mr. Starr: I have not received any report from that branch on the matter.

Mr. Martin (Essex East): Has the minister sought to obtain a report for those months?

Mr. Starr: No, Mr. Chairman.

Item agreed to.

165. Economics and research branch including research grants and related expenses, $688,895.

Mr. Martin (Essex East): Mr. Chairman, this is the vote for the economics and research

branch. Last year the vote was $670,030 and the estimate for this year is $688,895, an increase of $18,865. Will the minister tell us why there is an increase?

Mr. Starr: Yes. Will the hon. member be patient for a moment until my officials arrive?

Mr. Martin (Essex East): While the officials are coming down perhaps I can lay the foundation for the question. The minister said a moment ago that he has not asked the officials of the research branch for an indication of what the unemployment picture is going to be in the future. He has said he has not asked them for an assessment of what the situation is going to be during the balance of this summer and for the months of September, October and November. Yet the Minister of Labour told us earlier tonight that the government was considering plans. How can the government consider plans for the future unless it has some indication of what the employment or unemployment prospects are? Surely the minister does not expect us to believe that there is such incompetence as is revealed in his answer to this question. Surely the Minister of Labour does not wish us to think that he has not ascertained from the research division what is their assessment of the picture in the next few months. If he has not, he has the officials in front of him now, and will they tell him so he can advise the committee before we pass this estimate?

Mr. Starr: Of the increase of $18,865, $14,000 is for salaries.

Mr. Martin (Essex East): New personnel?

Mr. Starr: No, general increases.

Mr. Martin (Essex East): How many people are in the research branch now?

Mr. Starr: There are 131 plus 5 seasonal.

Mr. Martin (Essex East): There are 131 people in the research division of the Department of Labour and yet the minister says he does not know from his conversations with these officials what the prospects for employment are in the next five months. Is that the situation?

Mr. Starr: I am advised, as I have pointed out, that this is a very difficult situation to assess at this time, and any action taken by the government is being taken on the basis of the present situation and the experience we have had over the past two winters.

Mr. Martin (Essex East): Does my hon. friend think that the research officials of his department would find this situation more difficult to assess than the staff of the Bank of Canada, who have surveyed the situation for the foreseeable future? Do the research people in this particular branch disagree with the concern of the Bank of Canada, as stated by the governor in three different cities of this country within the last five months?

Mr. Starr: I am advised, and this bears out what I have said, that in their opinion this is a very difficult situation to assess. The same situation exists in the United States and to a greater degree at the moment. As a matter of fact, comparing the United States and Canada, 5.5 per cent of the labour force in the United States were unemployed in mid-June whereas in Canada the figure was 4.6 per cent. This is the dilemma with which the economists of the department are faced. There have been times in the past when their forecasts were out a great deal simply because of the difficult and conflicting matters that arose during the time of their assessments.

Mr. Martin (Essex East): My hon. friend has said it is a difficult problem. No one has questioned that. What my hon. friend does not hope, I am sure, is to have this committee believe that the research personnel in his department has not made an assessment of the situation for at least the next five months. My hon. friend has said that forecasts can sometimes be proved to be wrong. Of course, that is true. We are not asking whether they are right or wrong, we are asking whether they have made forecasts, and what those forecasts are. What policy is the government devising on the basis of those forecasts?

My hon. friend mentioned the United States. I wish he had gone on and pointed out that they have made forecasts there for the next year. My hon. friend might now tell the committee, if he is aware of the committee of the United States Senate, under the chairmanship of Senator Eugene McCarthy, which conducted an inquiry in most of the major cities of the United States with regard to unemployment, and which published a record of its hearings, published its assessment of the problem and its recommendations, for everyone to read. My hon. friend referred to the United States, as though seeking to imply that they have not made an analysis of the future. Let my hon. friend, if he has not got this analysis in his own department, and I can hardly credit that to be the fact, examine the analysis made in the United States. Surely from that, it ought to be possible for him to make a judgment, and having made this judgment determine policies based on it.

I should like to ask the minister how many economists there are in this particular division?

Mr. Starr: There are 43.

Mr. Martin (Essex East): Forty three economists and yet my hon. friend wishes to stick to the statement he made that he cannot get from them any forecast for the next five months? Is that the situation?

Mr. Starr: That is the information with which I am supplied.

Mr. Pickersgill: I should like to ask—

Mr. Ricard: Carried.

Mr. Pickersgill: If the hon. member for St. Hyacinthe-Bagot would like to help the minister get his estimates through I suggest that he stop these ejaculations when an hon. member seeks to get information.

I was going to ask the minister, when I was so politely interrupted, if he thinks it is more difficult for his staff, or for other economists to make forecasts now than it was in 1957?

Mr. Starr: I do not know why the hon. member refers to 1957. What happened then?

Mr. Pickersgill: I should like to ask the minister if he thinks it is more difficult now to make forecasts of the employment prospects, more difficult in 1960 than it was in 1957?

Mr. Starr: I have not checked on that aspect. I did not anticipate a question of that kind.

Mr. Pickersgill: The reason I ask that question will be obvious to every hon. member in this committee. In 1958 the Prime Minister took an estimate a year old and blamed the previous government because he said that estimate showed clearly what was going to happen a year later. Of course, as everybody knows, that is utter rubbish, but that is what the Prime Minister said, and that is the grave indictment he made of the former government, that they had hidden the forecast made a year before.

Now the Minister of Labour tells us, practically in August, that it is too early to make a forecast of prospects for next winter. Whom do we believe, this minister or his great leader who said that the Liberal government knew a year ahead what was going to happen in 1958? This is the kind of thing that is destroying the confidence of the people in this administration. I do not believe the minister when he says that his staff has not made such a forecast. I, of course, accept his word if he says they have not given it to him, but I simply do not believe that even this government or the minister would allow a department to employ 43 economists and make no forecast of employment for the next year or the next winter. I just do not believe it at all.

[Mr. Starr.]

Mr. Starr: I am afraid the hon. member, Mr. Chairman, will have to accept my word for it.

Mr. Pickersgill: I do not think I do. I accept the minister's word at once that he does not know; I accept that. But I say I do not believe that his officials have not made such a forecast. I am quite prepared to believe that the minister has not sought to get it, and is not seeking to get it. I do not believe it is hard to guess why, but I just do not believe that this government has as yet made the public service so incompetent and inefficient that this forecast has not been made, because if that is so I do not know what these public servants are being paid to do.

An hon. Member: You hired them.

Mr. Pickersgill: There have been additions, we have been told, to the staff. There have been changes in the staff. As a matter of fact, I think perhaps I made a mistake in not taking issue with whatever hon. gentleman said that we hired them. They were hired by the civil service commission in precisely the same way as public servants are hired now. We had no more to do with hiring them than hon. gentlemen on the treasury benches have now, unless hon. members occupying the treasury benches are behaving in a different way than we did, and I do not believe they are in this particular instance.

I do say we ought to know for what this money is being spent. We ought to know whether this forecast is being made, because after all I was a public servant for a good many years and I was a minister of the crown for some years, so I am not entirely ignorant of how the business of this country is conducted. I know quite well that unless the minister or someone on his behalf or someone on behalf of the Prime Minister has told these officials not to make such a forecast, that such a forecast exists.

Mr. Martin (Essex East): The minister has told us the number of economists in the department. He has said that, notwithstanding this display of talent, he has not been able to ascertain from any of their studies, whether or not he can tell the committee what the prospects of employment and unemployment are in the next five months. My hon. friend from Bonavista-Twillingate has asked for a forecast for the next year. I do not dissociate myself from that request, but I am asking for a more limited one. I hope to get from the minister some enlightenment as to his

understanding and appreciation of the situation. I think we are entitled to have this information, and perhaps by further interrogation, we may be able to get some declaration from the minister that will assist us in this matter.

The Minister of Labour heard today the prognostications made by the Leader of the Opposition, on the basis of reports prepared by competent individuals in voluntary and private organizations in this country. My hon. friend has no doubt read the reports of the Bank of Canada. My hon. friend, as a member of the government, surely knows the contents of the economic survey, the hidden report, prepared by the Minister of Trade and Commerce, and divulged to this house by the Prime Minister in 1958. What do these reports indicate? Is the minister not in a position, on the basis of that information, if he cannot get it in his own department which I do not credit, to tell us on the basis of these other reports in other departments what is the situation? Is that the situation? I am asking the minister.

Mr. Starr: I do not know how many times I have to reiterate that I do not intend to go any further than I did originally by saying that there is no report for the next five months. It has not been brought to my attention, and I have been told that it is too early to make any forecast.

Mr. Martin (Essex East): My hon. friend has not answered my question. I did not ask him for reports of his department; I ask him to tell us what are the prospects, on the basis of information which he, as a member of the government, has from the Bank of Canada and from the Department of Trade and Commerce. I am asking the minister to give us that information. I am not asking him to table these reports because the government obviously does not want to do that although it did not hesitate to do so when there was a political advantage in so doing. I am asking the minister again to tell us whether, as Minister of Labour in this government, he can give us this information. If he refuses to give it, he warrants the criticism that we level against this government when we assert this government has no policy.

Will the minister deny that reports were prepared in the Department of Labour for the summer months during the years immediately prior to his coming into office? Will the minister say that he does not know that his predecessors were supplied by their economics research division with such reports? If that was the case—and I challenge the minister to deny that it was the case—then did the minister decide to cause that kind of a report or assessment to be discontinued? Does the minister know that such reports existed? If they existed, why were they cut off? This is the only conclusion we can draw from what the minister has just told the committee.

Mr. Starr: The hon. members know full well that reports come to the minister continually on a seasonal basis or whatever the case may be or however they may be necessary. Those reports were never made public. Those same reports come in to the minister and they are confidential reports. They were never revealed by the former minister who held the same portfolio as I hold nor do I intend to do so.

Mr. Pickersgill: Until the Prime Minister did it.

Mr. Martin (Essex East): We have made progress. The minister has now said that these reports exist but that they are confidential. That is at least something. I asked the minister this very question fully an hour and a half ago, and all that the minister did was to use language which indicated that these reports were not available.

Mr. Starr: Oh, no.

Mr. Martin (Essex East): My hon. friend says no, but that is the situation and *Hansard* will clearly indicate it. What I am saying to the minister is this. I am not asking him to table these confidential documents. Under the procedures of this house we have no right to have them except there is a strong precedent, based upon the action of the Prime Minister in January of 1958. But now that the minister acknowledges at last that those reports are being prepared by the economics research division, whose vote we are now considering, I ask him to tell us what those reports indicate. What are their prognostications? Do they say that the kind of foreshadowing made today by the Leader of the Opposition is wrong? Are they exaggerated? Is the situation in the next ensuing period a pessimistic or an optimistic one? Surely the minister, now that he acknowledges that these reports exist, and now that we must presume that he has read them, cannot refrain from telling the committee what are the prospects and what are his views as to the situation in the next ensuing period. The minister cannot refuse now on the basis of past policy to give the house this information.

An hon. Member: Oh, yes, he can.

Mr. Martin (Essex East): This is a free parliament. The information my hon. friend is being asked for is something which the

people of Canada have a right to know before we vote this particular estimate.

Mr. Starr: The only way in which reports can be confidential is if they are kept in confidence. If I revealed them to the hon. member they would not be confidential.

Mr. McMillan: The minister went on a television program last February and he made an optimistic report with regard to employment. Can he tell us whether that report was based on any reports from any economists in his department?

Mr. Starr: It was a report to the people from a person who has all confidence in the future of the Canadian economy. I always look with a great deal of optimism to the future of this great country.

Mr. Pickersgill: In other words, what the minister is now saying is that he did not have any basis for that statement except his own optimism. In other words, he went on the program "The Nation's Business" and he made this optimistic statement that the recession was over; that everything was rosy; that they had overcome all the problems or nearly all the problems; and that they would soon overcome the rest of them; and he had no basis for it except his own windy optimism. Is that what he is saying?

An hon. Member: Who is windy?

Mr. Pickersgill: That is the only interpretation that I can put on the minister's words. I am not going to ask the minister whether this particular official or that particular official gave him advice. The question which I asked him and which I repeat is this. Did the minister get a concensus of views from the economic advisers of the government before he went on television and, on his responsibility as a trustee of the people of Canada, told the people that the recession was over, that the outlook was optimistic and that we had no further cause to worry.

Mr. Starr: Mr. Chairman, I am a member of a government that was elected with an overwhelming majority by the people of this country and I will perform my duties to the best of my ability.

Mr. Pickersgill: This is a new doctrine, Mr. Chairman. This is a new doctrine from the defenders of the rights of parliament. This is something new. They say, "We obtained a big majority, so the opposition have no right to any information".

Some hon. Members: Oh, oh.

Mr. Pickersgill: They say that the people of Canada do not need to be told what the facts are; that they do not need to be told the truth; that the advice of experts and professionals can be kept hidden from them; although advice a year old, because it was given to another government on a confidential basis, can be betrayed. That is the basis upon which the government operates, according to the minister, in conducting the affairs of this country. For a member of a government that was going to restore the rights of parliament, a government that was going to give to everyone in parliament an equal opportunity; that was going to uphold the rights of the opposition and the rights of the people to know how their affairs were being conducted, it seems to me that this is the most fantastic statement that we have yet heard from this fantastic government. It also seems to me that it is eleven o'clock.

Resolution adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Ricard: May I ask the house leader what the business is for tomorrow?

Mr. Pickersgill: I greatly appreciate the help of my parliamentary assistant, Mr. Speaker, but perhaps in all the circumstances I should ask the minister about this matter. I think he told us he would throw some light on next week's program this evening.

Mr. Churchill: We will carry on tomorrow with the estimates. If the Department of Labour is finished we will go on with defence. On Monday the chief legislative item to be considered is third reading of Bill No. C-58, an act to amend the Combines Investigation Act and the Criminal Code. If the committee on the bill of rights reports back to the committee, the bill of rights will be available for discussion on Monday. If there are any other items to be considered on Monday I will advise the house tomorrow.

Mr. Pickersgill: Did I understand the minister to say that when the Department of Labour was completed tomorrow we would begin with finance?

Mr. Churchill: No; defence.

Mr. Pickersgill: I am sorry but I did not hear the minister.

Mr. Churchill: If I said finance, what I intended to say was defence.

Mr. Pickersgill: There is no doubt about it; it is defence?

Mr. Churchill: No, there is no doubt. The order is the same.

Mr. Ricard: I wish to thank the minister.

It being two minutes after eleven o'clock the house adjourned, without question put, pursuant to special order.

[The following item was passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—

General administration—

164. Departmental administration including a grant of $10,000 to Frontier college and the expenses of the international labour conferences, $1,118,255.

HOUSE OF COMMONS

Saturday, July 30, 1960

The house met at 11 a.m.

HUMAN RIGHTS

First report of special committee on human rights and fundamental freedoms—Mr. Spencer.

UNITED NATIONS

CONGO—ANNOUNCEMENT OF PROVISION OF CANADIAN SIGNALS PERSONNEL AND EQUIPMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the house has already been informed that the government has been giving consideration, in consultation with the secretary general, to the United Nations inquiry as to whether Canada would be in a position to provide signals personnel and equipment as part or in support of the United Nations force in performing their important role in the Congo. These consultations were necessary in order to ascertain in detail the requirements of the force commander and to relate them to facilities and personnel available in Canada.

I am now in a position to say that the government has decided to provide, subject to parliamentary approval of a resolution which will be placed on the order paper today, certain military forces, including equipment, for the following signals units: a signals detachment at United Nations headquarters in Leopoldville which will include a signals office, a message centre, 100-line switchboard and linemen and dispatch riders; five ground to air communication links; twelve mobile wireless detachments; eight cipher detachments, and a small headquarters for the command and administration of Canadian troops in the Congo. Preparatory action has been taken to provide for the formation of such new units within the services as may be required, the selection and immunization of soldiers, the concentration of troops and their equipment, and the movement of them by the most expeditious means, again subject to parliamentary approval of a resolution to that effect.

Since additional information is required on the tasks which the Canadian contingent will be asked to perform and on the conditions under which these tasks will be carried out, a reconnaissance party of six officers is being dispatched to the Congo immediately. It is due to leave Montreal this evening and to arrive in Leopoldville on August 1. In the meantime, awaiting parliamentary consideration, the members of the Canadian signals contingent are being selected and immunized against tropical diseases. Then immediate concentration within Canada will be provided for, and as I said a moment ago those chosen will be sent as soon as they are ready and transport becomes available.

The resolution in question will be placed on the order paper, as I say, and it will ask approval for participation of Canadian forces in the United Nations operations in the Congo. I think that is a step in keeping with traditional practice, and it is particularly important at this time that there be full recognition and acceptance by parliament of this step in the preparation and maintenance of a United Nations force. No more important or significant step has been taken in recent years than the one now being taken by the United Nations in the Congo, and the co-operation of those nations which it is believed are the most appropriate to make a contribution renders desirable full co-operation and anticipation of parliamentary approval.

Hon. Paul Martin (Essex East): Mr. Speaker, the Prime Minister may be assured that in observing the traditions established in this house, certainly since the end of the first world war, that a project of this kind should be preceded by a resolution, he will find that such a resolution will be given strong support by the membership of this house. We recognize that in the turbulent days in which we live, the best way of maintaining order is by giving to the collective strength of the nations of the world, through the United Nations, the opportunity of making a contribution in the preservation of that order.

The Prime Minister has not indicated if Canada has been asked to supply more than the kind of forces he has outlined. To the extent, therefore, that we have been asked for these particular signals forces there will be general accord. The secretary general of the United Nations has stated that he envisages that this particular project of the United Nations in the Congo will not be of short duration, and that it may last for a period of as long as five years. In that event, it is to be anticipated that Canada will be asked

to contribute more than specialized military forces, referred to in the statement of the Prime Minister.

I agree fully with what the Prime Minister has said, that this effort of the United Nations in which Canada will share to this limited extent at this time, represents the growing strength of the United Nations as an instrument for the preservation of peace. We have the precedent of the United Nations emergency force in the Middle East, an organism with which Canada has had so much to do. That precedent, backed up by the United Nations observation group in Lebanon and the presence of the United Nations in Jordan, is a precedent which has made possible the intervention of the United Nations in the Congo. Whether the United Nations military forces now in the Congo are para-military only, in the sense that the United Nations force in the Middle East is, or whether it is to be given greater power, is not yet clear. In any event, the Prime Minister may be assured that when this resolution comes before the house, it will receive the responsible consideration which its great objectives deserve.

Mr. H. W. Herridge (Kootenay West): The members of this group endorse most heartily the announcement made by the Prime Minister concerning this contribution to the maintenance of peace in a troubled portion of the world. As a matter of fact we are delighted with this step being taken by the government, perhaps as a first step toward an even greater effort on the part of Canada in this direction.

We believe that Canada can best play an active role in the maintenance of peace by being ready on all occasions to supply to the limit of her capacity forces required by the United Nations in causes such as this.

NATIONAL DEFENCE

NUCLEAR WARHEADS—INQUIRY AS TO NEGOTIATIONS WITH U.S.

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of a sentence contained in the report of the defence committee which has just been made available to hon. members, to the effect that the Minister of National Defence expressed the opinion that arrangements now being negotiated, presumably with the United States, would make nuclear warheads available if and when required. I should like to ask the Prime Minister if he could tell us what progress is being made in these negotiations.

Right Hon. J. G. Diefenbaker (Prime Minister): I have nothing to add to what has already been said. I believe the defence estimates will shortly be before the committee of the whole house for consideration, at which time any inquiries can be made pertinent to this question. In the meantime, to make answers that are added upon answers cannot be of assistance.

UNITED NATIONS

CONGO—SUGGESTED OFFER OF CANADIAN INFANTRY BATTALION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to ask the Prime Minister a question arising from his earlier announcement. Would the Prime Minister state whether in conversation with Prime Minister Lumumba today he will inform him that Canada is prepared to make either an English speaking or a French speaking battalion available for service in the Congo provided the request is received through the United Nations?

Right Hon. J. G. Diefenbaker (Prime Minister): This is a question very similar to the one which, I note from *Hansard*, was raised yesterday by the hon. member for Assiniboia. As the Secretary of State for External Affairs indicated in his reply, any troops that are sent by Canada to the Congo will be under the authority of the United Nations, and there has been no suggestion by the United Nations that Canada should provide infantry units.

CONGO—REPORTED NEED FOR MEDICAL ASSISTANCE

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, may I direct a question to the Prime Minister. It is reported in the press that the prime minister of the Congo will be requesting medical personnel and equipment from Canada. Can the Prime Minister make some statement on this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not had the privilege yet of talking to Prime Minister Lumumba, but it is apparent from press reports that the field of his requests is not too greatly limited. I think the opportunity will come to the hon. gentleman to secure the fullest information in connection with this matter when the resolution is before the house next week respecting the United Nations force. I trust that at that time he will place his views before the house and obtain whatever information is then available.

DISARMAMENT—REPORTED U.S. SUGGESTION RESPECTING COMMISSION MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): Can the Prime Minister say whether or not Canada has yet received a reply from Mr. Padillo Nervo, the chairman of the disarmament commission, regarding Canada's request for a meeting of the disarmament commission prior to the meeting of the general assembly of the United Nations.

Right Hon. J. G. Diefenbaker (Prime Minister): I think that question may await the return of the Secretary of State for External Affairs. He will be here on Monday.

FIRES

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE BY DEFENCE DEPARTMENT

On the orders of the day:

Mr. W. C. Henderson (Cariboo): I should like to direct a question to the Minister of National Defence. Can the minister tell the house whether his department will be able to help fight the forest fires now raging in British Columbia.

Hon. G. R. Pearkes (Minister of National Defence): Yesterday I received a request from the attorney general of the province of British Columbia for assistance in connection with various fires which are now raging so freely in British Columbia. I at once acceded to his request. Helicopters and aircraft have been dispatched from Vancouver, and other search and rescue aircraft are standing by for use if required. According to reports of the action which was taken yesterday, a number of fire fighters were rescued in the Kamloops area before the fires closed in on them. All holiday personnel have also been rescued from the lake area, Lac le Jeune, just south of Kamloops.

Mr. H. W. Herridge (Kootenay West): A supplementary question. Is the minister prepared to supply infantry or ground troops if requested, where manpower is short in fighting some of these large fires in the Kootenays?

Mr. Pearkes: As the hon. member knows, such requests must come through the attorney general of the province. No such request for ground personnel has yet been received.

POST OFFICE DEPARTMENT

SUGGESTED LACK OF PROTECTION FOR MAIL TRUCKS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Postmaster General. In view of the fact that the Postmaster General seems to be unable to give adequate protection to mail carried by truck, is the hon. gentleman considering the advisability of getting out of the trucking business?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, every time we have a mail theft the hon. member for St. Denis returns to this house to ask a similar question. I am glad to welcome the hon. gentleman back after his long absence. To suggest that we are not able to give adequate protection to mail carried by trucks is, of course, to suggest something that is not true. The hon. gentleman might be aware of the fact, for example, that in the Montreal area alone this week there have been six bank robberies and holdups, and 17 such occurrences there since the beginning of June.

The only way of carrying the mail in large parts of Canada is by truck. We are doing that effectively and efficiently, giving it adequate protection. We are carrying it in a degree of safety which compares very well with the degree of safety that exists in relation to banks and other institutions in terms of robberies. We are going to continue carrying the mail by truck, extending it every reasonable protection.

Mr. Denis: Mr. Speaker, I rise on a question of privilege. The minister spoke of my absence from the House of Commons. The fact that robberies occur the minute after I return to this house indicates that I am not responsible for that kind of robbery.

Mr. Fulton: What kind are you responsible for?

Mr. Hees: Bank robberies?

Mr. Denis: I am wondering if the Postmaster General is working for the police. If he is I suggest that he look after the robberies in his own department instead of worrying about others.

INQUIRY AS TO DELIVERY OF CATTLE BY MAIL

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Postmaster General. According to a newspaper report, in England Jersey cows are being delivered by registered mail. Is the minister equipped to give Canada the same kind of service?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, neither Jersey cows nor the kind of bull in which the hon. member indulges are properly the concern of the Canadian Post Office Department.

COMMONWEALTH RELATIONS

INQUIRY AS TO BOYCOTT OF SOUTH AFRICAN GOODS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime Minister, in the light of a news announcement carried on the C.B.C. last night, whether the government is giving consideration to following the example of another commonwealth nation, namely Ghana, by ordering a boycott on all South African goods so as to express our disapproval of apartheid.

Mr. Speaker: Order. The hon. member is certainly launching into a new field in a question of that kind. I had not heard of it being the responsibility of any of the ministers to order boycotts.

GRAIN

BAIE COMEAU, QUE.—EFFECT OF OPENING OF NEW ELEVATOR

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Following the recent opening of the 12 million bushel grain elevator at Baie Comeau, Quebec, on the north shore of the St. Lawrence river, can the minister outline what effect this new elevator capacity will have on the handling of this year's grain movement?

Hon. Gordon Churchill (Minister of Trade and Commerce): This is a very important development indeed, and I think congratulations are due to the Cargill Grain Company Limited of Winnipeg for their enterprise in having this elevator erected and in operation so early. It is only about a year and a half since they started their building operations. The fact is that this elevator will provide extra storage for Canadian grain and will add at least 7 million bushels of storage capacity. During the course of next winter we shall see what effect it has on the shipment of Canadian grain. It is expected that they will be able to ship the year around, and this will be of advantage.

It is important to note that United States grain may use this particular elevator, as has been the custom with other elevators on the eastern seaboard and in the St. Lawrence region. The arrangements made by the board of grain commissioners with the Cargill company are to the effect that 60 per cent of the storage capacity of this elevator shall be available for Canadian grain.

[Mr. Hamilton (Notre Dame de Grace).]

FINANCE

"CANADIAN ECONOMIC OUTLOOK FOR 1960"—REQUEST FOR TABLING

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): In order to assist the committee of supply in considering the unemployment problem, will the Minister of Trade and Commerce table the "Canadian Economic Outlook for 1960"?

Mr. Speaker: If I am not mistaken, an order of the house was made with regard to this matter.

Mr. Pickersgill: There was an order with respect to the volume for 1959, sir. Is the minister going to give an answer?

Hon. Gordon Churchill (Minister of Trade and Commerce): The hon. member for Bonavista-Twillingate is asking for the tabling of a confidential report, and last evening the hon. member for Essex East said that this was contrary to the usages of parliament. I think perhaps we shall not do it.

Mr. Pickersgill: Does the minister recall an exalted precedent?

ARTS, LETTERS AND SCIENCES

CONGO—INQUIRY AS TO PROVISION OF UNIVERSITY SCHOLARSHIPS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct another question to the Prime Minister. In view of the C.B.C. report of yesterday evening to the effect that Prime Minister Lumumba has already received offers from foreign countries to make 300 university scholarships available to Congolese students starting this September, and in view of the fact that Canada is ideally situated to help in this matter because of its four French-speaking universities, will the Prime Minister state how many university scholarships Canada will make available to French speaking Congolese students this fall?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the hon. gentleman will agree that the question is somewhat premature. Any requests of this nature that might be put forward have to be related to Canada's other commitments under the various scholarship schemes now in effect. As the house knows, we have embarked upon a wide scholarship scheme, particularly since the commonwealth trade and economic conference of 1958. Having regard to the position in which the universities find themselves, this is a matter that will have

to be given the most complete consideration by the universities, and also on the basis of our other commitments.

PUBLIC BUILDINGS

VANCOUVER—REQUEST TO EXPEDITE PLANNING OF NEW BUILDING

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): I should like to ask the Minister of Labour if he would consult with his colleagues in order to expedite the planning and construction this winter of the much needed dominion public building in the Mount Pleasant area of Vancouver.

Hon. Michael Starr (Minister of Labour): I realize the necessity for this accommodation in Vancouver, and I wish to assure the hon. member that this project will get my fullest support.

EXTERNAL AFFAIRS

REQUEST FOR TABLING OF LETTER FROM SOVIET PREMIER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I have one more question for the Prime Minister, and then I shall subside. This matter was just brought to my attention this morning. Has the Prime Minister received a reply to his letter of June 30 to Mr. Khrushchev? If so, would he consider requesting the consent of the house to having it published as an appendix to *Hansard*? The suggestion was made to me that it would be informative to the Canadian people who are interested in this matter.

Right Hon. J. G. Diefenbaker (Prime Minister): The original letter and reply were tabled, and I think it would be simply cluttering up *Hansard* to add from week to week further letters from Mr. Khrushchev which are merely a continuation of his alibi for having assured the discontinuance of the disarmament conference. In any event, I think the U.S.S.R. embassy has made available to a great many Canadians that reply, the last in a series of alibis.

SUPPLY

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

DEPARTMENT OF LABOUR

165. Economics and research branch including research grants and related expenses, $688,895.

Mr. Pickersgill: Mr. Chairman, I was in the midst of making some observations at the time the committee rose at eleven o'clock last night. I think I could complete them very briefly. Perhaps, however, in order to preserve the continuity it might be worth while to recall to the minds of hon. members precisely what it was that was being discussed at that time.

What was being discussed was the question raised by the Leader of the Opposition as to whether the Minister of Labour was prepared to give to this committee a comprehensive appreciation of the prospects for employment over the next few months and the coming winter. In the course of that discussion the minister told my hon. friend from Essex East that he considered it was too early to make any such forecast. I believe that was the position taken by the minister, that at the beginning of August it was too early to make any forecast as to what the employment situation is likely to be. We realize that forecasts are only forecasts, but what is the position likely to be in the coming winter?

I stated, and I want to repeat it, sir, that I believe such a forecast already exists, unless the minister or the Prime Minister or someone on their behalf has told this branch of the minister's department not to make it. We know from past experience when we were in office that forecasts of this character were made, and were certainly made this early in the year. We know also that the government is very anxious to keep secret now what the Prime Minister was not so anxious to keep secret when he could get a cheap political advantage out of it two years ago. We know from the refusal of the Minister of Trade and Commerce this morning that the forecast made in his department is not available to the house or to the Canadian people, though there can be no doubt it exists unless that one, too, has been cut out by this government because it is afraid to have such forecasts made.

The plain fact is that this government has done everything in its power, throughout the whole of the year 1960, to stop any flow of information to the Canadian people about economic and employment prospects for the coming year, except the optimistic statements made by the Minister of Labour last February and those made by the Prime Minister in March on television, which apparently were backed up by nothing beyond their reading of the stars. At least we have not been told what they were backed up by.

Then the minister, in order to reinforce his position, to reinforce this new constitutional position, this new respect for parliament, this new consideration for the rights of people, said last night when he was being pressed:

Mr. Chairman, I am a member of a government that was elected with an overwhelming majority

by the people of this country and I will perform my duties to the best of my ability.

In other words, this minister apparently does not consider it necessary to have any advice. He has the backing, or he said he had two years ago, of the overwhelming majority of the Canadian people, so he can do what he pleases without consulting anyone, without telling the House of Commons what he is proposing to do, without taking the people into his confidence. In other words, "We have a majority, so whatever we like to do we do not need to bother explaining to you". This is the new doctrine of the Conservative party. It is not really a new doctrine, because it sounds very much like—

An hon. Member: An old Liberal one.

Mr. Pickersgill: I suggest that the hon. gentleman go a little farther back into history. This is exactly the same attitude that was taken by Mr. Bennett when he was prime minister between 1930 and 1935. It is a typical Tory attitude. I challenge any hon. member to show, in the whole of the period when Hon. Milton Gregg was minister of labour in this country, that he ever took any such attitude or ever refused to give parliament any information that was available in his department.

Mr. Macdonnell: Would the hon. member say I was wrong if I told him I have a strong recollection of Mr. St. Laurent taking exactly that position on a certain occasion?

Mr. Martin (Essex East): That is not the position taken by this government with regard to the economic survey.

Mr. Pickersgill: The hon. member for Greenwood asked me a question which I think was really a declaration, but I take no exception whatever to his declaration. His recollection was that he remembered some occasion when Mr. St. Laurent had taken a similar position. I do not happen to recall it, but I should not like to quarrel with the hon. gentleman. However, I should like to see the particulars. There are, of course, many communications that come to the Department of External Affairs and to the other departments of government which every government might properly keep confidential. But surely the estimate of the prospects of employment does not fall into this category; or if it does, what are they afraid of? If it does, what is it that concerns them?

This is something that it is hard indeed for me to answer. I admit that a forecast made by a civil servant for the guidance of ministers, such as the "Economic Outlook for 1957" which was tabled in this house by the Prime Minister on January 20, 1958 or a document of that sort should not be made public. I make that admission at once. What was that document for? That document was not for any other purpose than to assist ministers in working out policies; and to ensure that ministers would get the utmost frankness in the advice that was given to them and to protect the validity of the forecasts themselves it is necessary to protect the anonymous public servants who prepared such forecasts. It seems to me that is a reasonable position to take, particularly in the whole economic realm where such forecasts could easily have the effect, if they were published prematurely, of influencing the economic climate in a way that might be adverse to the national interest.

If the Minister of Labour is arguing that to give a forecast of employment for next winter is going to influence the level of employment next winter, I wish he would make that argument. If he wants to make that argument I am sure that we would listen to it with great interest and would consider carefully what there was in it. As for myself, at first blush I do not see how it could have any such effect. However, if the minister feels that it is in the national interest to conceal any official forecast of this kind or to hide it, in the light of the speech made by the Prime Minister on January 20, 1958—which speech presumably set the tone for the present government—I think the minister would need to do a great deal of explaining in order to clarify that situation.

But if he has no such explanation, and if the only reason he is hiding this forecast is that it is a gloomy report, as I suspect is unhappily the case, may I say this. If the only reason he is hiding it is that he knows this government has no policy, has no measures by means of which to cope with this situation, then I say he is derelict in his duty to the Canadian people and is not showing for parliament the regard that this government promised the people of Canada it would have when it obtained its mandate two years ago.

The Chairman: Shall item 165 carry?

Mr. Pearson: Is the minister going to say anything in reply to what my hon. friend has just said?

Mr. Starr: Mr. Chairman, the same questions were asked yesterday. I have nothing further to add to what I said yesterday in respect of these matters.

Mr. Pearson: This is a strangely negative attitude for a minister to take to our efforts to get information as to what the employment situation or the unemployment situation is likely to be in the coming winter and what the government is planning to do about it. We are now approaching August.

The winter period will be on us before long. We have been told that there are 43 economists in this branch of the Department of Labour whose job presumably—and I am sure they are highly qualified—is to give the minister advice on the economic outlook and particularly on the employment outlook. Yet the minister tells us that notwithstanding these 43 economists and the advice which they no doubt are giving him and the work in which they are no doubt engaged, it is too early to make any forecast, based on that advice, as to what the situation is likely to be in the autumn and winter. Surely that is a terrible reflection on the lack of planning in the government at the present time in respect of this vital problem of employment.

We were told last night that there is a cabinet committee under the chairmanship of the Associate Minister of National Defence working on this problem. Surely they must have before them some information on which they can make their reports, some information perhaps produced for them by, among other sources, these 43 economists that we are now talking about. What kind of situation is this cabinet committee planning to meet this winter? What kind of situation are the minister and his department planning to meet? All the minister told us last night was that it was going to be extremely difficult to figure out what kind of situation he will be obliged to meet. We are in August or are about to be in August, and all we learn about the situation that may confront us this winter is that it is going to be extremely difficult to find out what that situation is going to be.

That is a shocking basis, Mr. Chairman, for any kind of planning to meet the situation. With great respect I suggest to the minister that he owes it to this committee to tell us more than he has told us. As a matter of fact he has told us nothing.

The Chairman: Shall item 165 carry?

Some hon. Members: Carried.

Mr. Martin (Essex East): No, Mr. Chairman. Does the minister intend to reply to what the Leader of the Opposition has asked?

Mr. Starr: If the hon. member had been listening he would know that I did reply to the Leader of the Opposition.

Mr. Martin (Essex East): With due respect, may I say that I do not think the reply of the minister deserves the designation of a reply. He did not address himself at all to the point made by the Leader of the Opposition. Certainly he did not touch on what the hon. member for Bonavista-Twillingate insisted should be revealed to this committee. If the minister does not wish to tell us about the assessment made by his own officials in this division, may I ask whether he will tell us what is the assessment of other departments of government with regard to the prospects for employment in the next ensuing period.

I asked the Minister of Labour a question. Does he propose to sit there and not reply? In that event, does he expect us to pass this item?

An hon. Member: Who are you?

Mr. Cardiff: I am getting sick of this.

Mr. Martin (Essex East): And the people of Canada are sick of the inactivity of this government.

Mr. Starr: I said yesterday, Mr. Chairman, that confidential reports can only be confidential if they are kept in that category.

Mr. Pickersgill: I said yesterday, and I intend to repeat it, that this is not the basis on which this government obtained a mandate from the people. This is not the basis on which they advertised. Everybody in this house who was here remembers what happened, and those who do not remember know about what happened. I refer to the disgraceful public performance of the Prime Minister on January 20, 1958; the shocking performance of the Prime Minister.

An hon. Member: It shocked you.

Mr. Pickersgill: It certainly did shock me, because I did not believe that any man who carried on a performance of that kind would ever get support for it from anybody.

An hon. Member: A comedian.

Mr. Valade: You are a good comedian yourself.

Mr. Pickersgill: By saying "yourself" does the hon. gentleman suggest that he means the Prime Minister is a good comedian?

Mr. Valade: I meant the hon. member for Essex East.

Mr. Pickersgill: The hon. gentleman had better be less ambiguous next time if his remark is not to be taken as applying to his leader.

Mr. Valade: Everybody knew what that was about.

Mr. Pickersgill: The hon. member says that everybody knew what that was about. I will tell you what it was about. That document was a forecast of the economic climate for the year 1957, made in the month of March, 1957. That is what it was. It was made in March, and from March until the following

January is ten months. I ask you to follow this argument, Mr. Chairman. Ten months later the Prime Minister came along with that forecast and said the Liberals knew what was going to happen and they hid it from the people. Here we are at the beginning of August, and it will be only six months until February 1. It will be only ten months until next summer. Yet the Minister of Labour, the follower of a leader who says that the Liberals knew ten months previously what was going to happen in the winter of 1957-58, says he does not know now what will happen. He has not anyone who can tell him. This government does not know. It is too early to make any forecast. Whom do you believe? Do you believe the Prime Minister in that performance he put on in January of 1958, or do you believe the Minister of Labour today?

I also ask, when did this doctrine of confidentiality which the minister is relying on so much become a principle of this government? The Prime Minister saw fit, for political purposes, for partisan purposes—I would go further; in an attempt to mislead the people of this country—to use a document which belonged to the previous government and which he had no constitutional right to make public at all. It was a performance which I do not think would have happened in any other British parliament anywhere in the world, and I did not expect it to happen here.

Mr. Martineau: On a point of order, I do not think this comes under the purview of the labour estimates.

Mr. Pickersgill: On the point of order raised by the hon. member, I am seeking to show that the government is now, with respect to the very subject of unemployment, refusing to do what the Prime Minister did on January 20, 1958.

Mr. Aiken: Will the hon. member permit a question; I think he wants to be fair. Is it not a fact that what the Prime Minister complained about in 1958 was not that the reports which had been given to the government were not revealed, but that in addition the former government gave the people the opposite impression of what the reports actually were?

Mr. Pickersgill: I do not remember whether the hon. member was here but that does not happen to be true. We were said to have hidden it. Do you not remember?

Some hon. Members: Oh, oh.

Mr. Pickersgill: That was the main point made by the Prime Minister; "they hid it". It was the hiding that the Prime Minister made the biggest fuss about, and the Prime Minister said it took him six months to find it. That, of course, is a statement about which I think the less I say the better, because anything I did say would be unparliamentary. But I do say that a prime minister who took six months after he came into office to find a document which was in the files of every department of government did not know very much about the job he had undertaken. I also say that a prime minister who was so incompetent and so unobservant that after six months he could not see for himself what were the facts, but had to rely on a document prepared in the previous March to find out what the facts were in December and January is not fit to be Prime Minister of this country.

The plain fact is that the Prime Minister told the federal-provincial conference in November 1957 and the Minister of Labour told a meeting in Montreal in December 1957 that the unemployment problem was not serious.

Mr. Pearson: We were over the hill.

Mr. Pickersgill: Yes. Then when they had to face the facts in January this shocking performance was trumped up in this house. Now we are having another shocking performance. We are having a minister of the crown saying, "We have such a huge majority that we do not have to account to the representatives of the people in parliament". If that is the kind of government it is, I suppose we are in a minority and there is no way that we can force them to give the facts to the people.

Mr. Pearson: Mr. Chairman, the situation about the early hidden report is so well known it hardly needs to be repeated. The Prime Minister took the confidential report, tore off the page marked "confidential", selected certain passages from it for partisan purposes, and that was that. We are asking the minister if he will give us some information which bears on the unemployment situation from those reports which have been made to him. We are not asking the minister to bring in the reports if they are confidential, or to quote from them; we are asking him to give the committee some information which will help us to establish the seriousness of this problem which must have been brought to his attention by some of these economists who are making reports to the government.

Mr. MacInnis: Would the hon. member permit a question? Did I understand him to charge the Prime Minister with tearing off the cover of a confidential report and then use it as otherwise?

Mr. Pearson: That is exactly what I said, and it has been stated more than once in this house.

Mr. MacInnis: It was never stated in this house while the Prime Minister was here.

Mr. Pickersgill: Yes, over and over again.

Mr. Pearson: Just read the record and you will find out what happened. If the minister is unwilling to say anything at all about that, I wonder if he would care to comment on a report, which is not official but which is authoritative and which he must have read, entitled "Labour research, January-April 1960", published by the research department of the Canadian Labour Congress, which gives a very worrying view of our economy in terms of employment and which supports that view by statistics from official sources. I have studied this report, and I am sure the minister has studied it, and I wonder if he would care to state whether he feels that the prognostications made in this report as to the kind of situation we are likely to face this winter are reasonable, and whether this particular report might serve as the basis for the kind of planning required to meet this situation.

Mr. Starr: I read that report some weeks ago. I am unable to state every particular contained in the report at the moment, but I have found this; that if you have five reports from five economists about what may happen in the future or the very near future, in most cases you will find you have three, four or five different viewpoints.

Mr. Martin (Essex East): May I ask the minister whether, since the discussion last night, he has had an opportunity, or has taken the opportunity, to discuss with the director of this economic research division or any of its personnel the questions put to him by hon. members last night. The minister has finally acknowledged that there was a confidential report made to him; and now having ascertained that fact may we ask, will the minister tell us whether or not, as a result of efforts made between eleven o'clock last night and eleven o'clock this morning, he has been able to get information which this committee requires, before we can properly pass this particular estimate?

Mr. Starr: Mr. Chairman, yesterday I said that any forecasts for the coming winter months could not be made until some time toward the end of August. This is true, and no report has been given me because of that circumstance.

Mr. Martin (Essex East): If the minister has been given no report by his officials on this matter, something which is hard to credit, has he examined the reports of the Bank of Canada and the reports supplied to the Minister of Trade and Commerce, which clearly indicate that forecasts are made for other departments of the government; and what is the minister's estimate and judgment of those assessments?

Mr. Starr: I endeavour to read all the reports which are available in order to assess in my own mind what the situation may be, but based on the experience in the past two winters, and based on the present situation it is evident that this government views the situation as serious, because of the measures that are being taken and other measures that are to be taken to deal with it.

Mr. Pearson: If the reports from the minister's own economic division on the situation which may confront us this winter in terms of unemployment are not available until the end of August, then on the basis of what information is the cabinet committee on unemployment, headed by the Associate Minister of National Defence, operating? Where does that committee get its basis of information?

Mr. Starr: Hon. members of the opposition have given us the basis of the information. They say there are reports available, a Bank of Canada report and other reports.

Mr. Martin (Essex East): Just before the Leader of the Opposition spoke the minister made an admission that we have been asking him to make for some hours. He said—and he will correct me if I interpret him wrongly —that the government, after examining the reports which have been made, regards the situation in the immediate future as serious.

Mr. Starr: Based on past experience we say that unemployment is a serious situation, and as long as unemployment exists it is always a serious situation.

Mr. Martin (Essex East): We are not talking about what is in existence. We are talking about what the situation is likely to be in the immediate future. I understood the minister to say that the government regards the situation in the ensuing period as serious. If that is a correct statement, and I understood the minister to say that, I regard it as an advance on the position the minister has taken thus far in this debate.

Mr. Starr: I can correct that right away. I said that based on our experience in the past two or three winters and on the present situation as it exists at the moment, this government regards unemployment as a serious situation and has taken the lead in a number of projects, and others will be undertaken in the future.

Mr. Martin (Essex East): Quite. As I say, that statement, confirmed by the minister, advances us considerably.

The minister said in reply to a question put by the Leader of the Opposition that he would not have any estimate until the end of August. I ask him the following question. Is it not a fact that his predecessor was supplied with a report for the summer period? Is it not a fact that his predecessor was supplied with a report prepared in the month of May, forecasting the employment situation in the summer period? If that is a fact, and I assert it to be a fact, has the minister discontinued that practice? If he has not discontinued the making of such a quarterly report, will he then explain to the committee how it is he cannot give us any estimate on the situation during the summer until the summer is over, namely, as he said, until the end of August?

Mr. Starr: No practice has been discontinued, as I said yesterday in the debate. I must remind the hon. member that these reports are confidential.

Mr. Martin (Essex East): The minister keeps saying that they are confidential, and he would not make a confidential report available. But as the hon. member for Bonavista-Twillingate has pointed out, this government did not regard confidential documents as being confidential and as not capable of being produced in this chamber. That is the position.

Mr. Creaghan: After they are outdated.

Mr. Martin (Essex East): The hon. member says "After they are outdated". All he and his friends have to do is read the remarks made by the Prime Minister in 1958 and note what he had to say about a confidential document which he used to his advantage at that time but which, since that time, this government has refused to give to the house.

We are not asking for confidential documents to be produced. We are saying that this government has created a precedent for itself, and it would not be difficult on this account for the government to make such documents available. But since the government takes the position it does, we are asking that the Minister of Labour, at a time when we are discussing if we should pass these estimates, should simply tell us in general terms what recommendations and what assessments are made by the officials with regard to the future so that we in this parliament may determine if the provisions the government has in mind are adequate. We are not asking for something which is unreasonable. This persistent refusal on the part of the Minister of Labour to give us this information can only result in one conclusion, and that is that this government has no policy whatsoever to meet unemployment.

Some hon. Members: Oh.

Mr. Martin (Essex East): Hon. members say "oh". Let them deny that there is anything lacking in the logic of my conclusion. The hon. member who is interjecting now is a respected and responsible member, and I am sure he cannot deny the logic of what I am saying. Either I am right or parliament as we understand it does not exist in this country.

An hon. Member: Nonsense.

Mr. Martin (Essex East): An hon. member says "nonsense". I understand parliament to be a place where the elected representatives of the people have the right to ask from those entrusted with the responsibility of government information which will justify voting of moneys asked for by Her Majesty's government. That is the constitutional position. We have had from the Minister of Labour in response to our request a refusal to give information which it is an inherent right of this parliament to receive, and if the minister persists in refusing to give this information then it is our responsibility to determine whether we shall let these estimates pass. That is our responsibility, and it is a grave decision to make, but it is a decision we have to make if our democratic practices mean anything.

Mr. MacInnis: Does that mean you are going to ask for a cut in them?

Mr. Martin (Essex East): The hon. member who comes from a labour constituency, should be the first to rise and support what I am saying. The hon. member comes from what is a depressed area, notwithstanding his denial of that fact last night. The hon. member comes from a constituency where last winter thousands of men were out of work; over 6,000, as my hon. friend reminds me. I come from a constituency where there are now between 6,000 and 8,000 unemployed, and it is because of this that I feel I have a duty in this committee to elicit from the Minister of Labour whatever information he can give us in order to determine what can be done in this country to meet this problem. Surely that is not unfair. Surely that is not asking the government or the minister anything that is improper. If the Minister of Labour says this situation is an extremely complicated one, and the government cannot be expected to have all the solutions to this problem—

Mr. Bigg: You never did.

Mr. Martin (Essex East): The hon. member says that we never did. Well, we never had the problem.

Mr. Bigg: Well, I know all about the problem, and from 1935 to 1939 the boys were walking the streets—

Mr. Martin (Essex East): Yes, the hon. member is right; from 1930 to 1935 thousands of people did walk the streets—

An hon. Member: He said 1939.

Mr. Martin (Essex East): What I am saying is this—

An hon. Member: Take your time.

Mr. Martin (Essex East): Hon. gentlemen may make it difficult for this discussion to continue if they wish. They may cause delay but it will not make any difference, because we propose to discuss these estimates until we feel we have discharged our responsibility. There is no doubt about that. We can stay here for a long time.

Mr. Speakman: So can we.

Mr. Martin (Essex East): Apparently that is what we are going to do, because we are going to get answers to these questions or we are going to know why.

Mr. Muir (Cape Breton North and Victoria): Don't be so pompous.

Mr. Martin (Essex East): I ask the Minister of Labour if he will tell us that the problem is such that it is unfair to expect the government to provide solutions. Then that becomes a matter for argument. But that is not what the minister says. The minister just refuses to make any statement. He refuses to make any declaration other than the fact that this is a confidential report.

I ask the minister to reconsider that answer in the light of this discussion. If the minister will give us a statement based on what he believes are the realities; if he excuses the administration from responsibility and gives valid arguments for this, there can be no criticism of that position, other than to point out, if that is the situation, that he government will not be regarded as having realized its assurances to the Canadian people. But the simple issue now is whether or not parliament is entitled to receive this basic information.

Mr. Winch: Mr. Chairman, it is obvious from the discussion which took place last night in the hour and a half before we adjourned at eleven o'clock, and from what has been said thus far in our sitting today, that it is not the intention of the Minister of Labour to file any reports or information he has received, because as he has reiterated time after time they are confidential documents. In view of that fact we cannot help but wonder if he could not make that information available by following the precedent established by the Prime Minister in tearing off the front page of the document. It was on that basis that we got the information before, so how about tearing off the front page again?

Mr. Speakman: I should like to ask the hon. member a question, Mr. Chairman. Can the hon. member prove that?

Mr. Winch: You will find it in *Hansard.*

Mr. Lambert: You will find many false statements in *Hansard.*

Mr. Winch: You will find there was no front page.

Mr. Lambert: And who tore it off?

Mr. Winch: We do not know who tore it off.

Mr. Lambert: You said it was the Prime Minister.

Mr. Winch: It must have been some member of the government, because no hon. member of the opposition could have torn it off.

Mr. Lambert: How could you know? How do you know what transpired in the six months of its existence prior to its being brought into this chamber? How do you know whether the cover was on or off?

Mr. Winch: I do not know about that. I only know that when it was brought in the cover had been removed, and if it was a good precedent then it is good now.

Mr. Hamilton (Notre Dame de Grace): Mr. Chairman, I rise on a point of order. I suggest that what is happening at this moment indicates that we are discussing matters which are quite irrelevant to the estimates of the Department of Labour. This has been obvious, I think, for some little time in the light of the remarks made by the hon. member for Bonavista-Twillingate, the Leader of the Opposition and the hon. member for Essex East. We can see now where this type of discussion is leading. It is a discussion of something that happened in another parliament in connection with the Prime Minister and a report issued by the Department of Trade and Commerce. This has no bearing whatever on the item that is now before us concerning the economics and research branch of the Department of Labour. I most respectfully suggest that all this discussion is completely irrelevant, and that hon. members should turn their attention to discussion of the item before us.

Mr. Pearson: Mr. Chairman, I hope you will not accept this invitation of the minister to close off this discussion of the economic situation in this country and our desire to

get information from the department most concerned about that situation, the Department of Labour.

Mr. Lambert: Even if you seek to get it by means of irrelevant discussion.

Mr. Winch: I do not think I am irrelevant, but if I am let me say that I would rather be irrelevant than irresponsible.

Mr. Bigg: The hon. member succeeds in being both.

Mr. Winch: The item we are now discussing relates to the economics and research branch. That has to do with all matters relevant to labour and therefore all matters relevant to employment and unemployment. If discussions in previous parliaments under the present government and the present Prime Minister have established that this question of advice to the government could be discussed, it is just as relevant today as it was then. Because of the irresponsibility of the government it seeks to use these things for its own political expediency, denying information to parliament except when the government wants parliament to have the information. If there is any irrelevancy and irresponsibility it has been demonstrated on the other side.

Apparently today we are to be denied that information, with the cover on or off. That being the case, I should like to ask the Minister of Labour if he will comment with respect to a statement made at the end of April by such outstanding men as Mr. David Mansur, real estate consultant, Mr. W. H. Evans, president of the Canadian Manufacturers' Association, and Mr. James Coyne of the Bank of Canada as reported in the *Star*. On the basis of a survey taken, these three men have said that next fall will witness a turndown in the economy, and next winter will see unemployment worse than last year and indeed it will equal the postwar peak of unemployment.

These men are all good Canadians. I mention that because the minister told us last evening on three occasions that he was a good Canadian. I do not doubt that for a moment. In fact I do not doubt that all hon. members of this committee are good Canadians who look forward to a great future for Canada.

In view of the statement made by these good Canadians will the minister tell us if he agrees with their analysis? If he does not, how and why does he disagree? If there is any agreement at all, what in the view of the minister will be done to meet the situation? What is being done about it now?

[Mr. Pearson.]

Mr. Starr: Mr. Chairman, I can only reiterate what I said in response to the same question earlier. It is quite evident that the government are concerned about the situation. We have expanded our effort, are contributing to the training of unemployed workers on a higher scale of cost to the federal government, and the Prime Minister has said that other projects are under consideration. One has to have respect for the opinions of these people but based on our own experience in the past two winters and based on the present situation as indicated by the studies of the dominion bureau of statistics, it is surely quite evident that the government is taking steps to see that the situation does not worsen in the coming months.

Mr. Winch: I think everyone here will commend the government for all the steps that have been announced. There is no question of that. But I should like to put this question to the minister. He quoted three times last night a statement of the Prime Minister—I forget the exact wording—that new consideration is being given to the matter and at the appropriate time other policies may be announced. In view of the fact that we are now very close to August, will the minister inform us why, on the basis of information they must have within the department, within the government and outside, it is the policy to withhold announcements until parliament is no longer sitting. I expect we shall not be sitting more than another week—

An hon. Member: Hear, hear.

Mr. Winch: I gather some hon. members want to go home. I do, too. I have been home only six days this year. I would like to get home, but I am staying here until this house has concluded its business and prorogued, because that is the job for which I was elected.

Mr. Johnson: So are we.

Mr. Winch: Quite a number have left already. In view of the present serious situation, and what looks like a worsening one, why are announcements not made by the government while parliament is in session and can deal with government policy?

Mr. Starr: Mr. Chairman, with respect to those matters on which decisions have been arrived at, the decisions have been announced in this House of Commons. I refer to such matters as housing, municipal winter works programs, training for unemployed workers, home improvement loans and so forth. With respect to all those things and which decisions have been arrived at, announcements have

been made. There are other matters with respect to which decisions have not yet been arrived at, and we are doing everything possible to expedite them as much as we can.

Mr. Winch: How are they going to be financed; by treasury board order? Because you will not have the authority of the estimates. We would like the minister to have authority for whatever is required to take care of the situation.

Mr. Starr: I am not the Minister of Finance.

Mr. Pearson: Mr. Chairman, surely we had the right to expect, when the minister's estimates are brought before the house in the closing days, we hope, of the session, that the minister would give us a comprehensive analysis of the economic and employment situation in this country, and a comprehensive statement before parliament broke up of what the government was going to do about it, because once parliament is not in session it is more difficult. And, if the situation does worsen, it might even require parliament to be reconvened.

We have not had that. The minister said a few moments ago that the government is going to do everything it can to prevent the situation from worsening. He has not been able to give us much evidence of what has been done, but the government is going to do everything it can to prevent the situation from worsening. Naturally we would support any move that the government can or will make to that end but, Mr. Chairman, the situation has already worsened when compared with what it was at this time last year.

Mr. Pickersgill: It is as bad as it was in 1958.

Mr. Pearson: Last night the minister told the committee—and I quote from *Hansard* at page 7254—in answer to a question of mine:

> Mr. Chairman, I certainly hope the situation will be much better than it was in the last two winters.

I was talking about the unemployment situation during the winter time. On what does the minister base that hope? This morning he has told us that the situation is serious in terms of unemployment, and it certainly is likely to get more serious as the autumn and winter approach. He said this morning—and we all hope, of course, that the situation will be much better this winter than it was during the last two—that the situation will be much better this winter. I should like to know whether the minister can tell us on what he bases this hope. There must be something in his mind which justifies this somewhat optimistic conclusion, at least an optimistic hope, that while the situation is serious—and I know it is more serious than it was this time last year—nevertheless he hopes it will be much better than it was during the last two winters. That is the short run position and the problem we must cope with at the present time is the short run problem.

While I am on my feet I should like to remind the minister, if he needs any reminder, that the long range problem is just as serious, just as complicated and just as difficult. During the decade 1950 to 1960 one million jobs were added to the economy of this country. During the decade 1960 to 1970, if this country is to approach or maintain anything like full employment, we shall need two million jobs. Now, we have the short run situation, which is serious. We have the long run situation, which is serious. In so far as the former is concerned the minister hopes it will be much better than it was during the last two winters. Can he give us some information on which we can share that hope with him?

Mr. Starr: It is quite obvious, Mr. Chairman. I am hoping that with the measures I have already announced and with the measures which we shall undertake, we shall alleviate the situation this winter and it will be much better than it was. It is on that that I base my hope, and I have every right to do so.

Mr. Martin (Essex East): It seems to me that the hon. member for Vancouver East has put a very important question. The minister says he is satisfied, that if we have an unemployment situation comparable to last winter, the program of the government will be capable of providing jobs for all who need jobs. The minister will certainly agree that he is straining logic when he makes that statement, because all that the winter works program was able to provide was some 51,000 jobs. The government through the minister is not serious when it suggests that the three measures that represent its present program are capable of providing work for the numbers who have been out of work during the past winter.

That being so, what is the answer to the question put by the hon. member for Vancouver East? If in the month of September or October the number of unemployed rises to the level of the corresponding period last year, what program will the government resort to in order to provide jobs for those people who are out of work, recognizing that the present program, on the basis of the experience of the last two years, has not been able to provide a substantial number of jobs?

The government has said it is considering other plans. When are those plans to be put

forward? When are the programs based on those plans to be realized? Are we to wait until next winter? Is that the situation? If that is the situation, the minister can tell us. But what is going to happen to those people who are out of work? The government, as the hon. member for Vancouver East has said, cannot bring forward those plans without the approval of parliament. Parliament has to pass the necessary money; and the government must give the committee an indication if it will call parliament together in the fall, as suggested by the Leader of the Opposition, to authorize it to embark on the programs which the minister says it is now considering.

The minister has not touched on this phase of the problem at all. Of course it is not the only phase that he has ignored in this discussion. It is another question which has to be answered, if we are to feel that we have discharged our responsibility with regard to the request of the government that we should pass this particular estimate and the other estimates of the Department of Labour.

Mr. Starr: I listened to what the hon. member had to say, and I think I have answered practically all the questions time and time again, so I have nothing further to add.

Mr. Pickersgill: Mr. Chairman, I have come to the conclusion that the Leader of the Opposition, the hon. member for Essex East and the hon. member for Vancouver East are hardly being fair to the minister, because it is quite evident that the government has no program, is planning no program and intends no program, and that the unemployed are to be treated in exactly the same way as the western farmers are being treated by this government.

Mr. Winch: There is one point that does disturb me. I am quite prepared to accept the word of the Minister of Labour and the Prime Minister that studies are now being undertaken with a view to giving further consideration to the unemployment situation, and through that consideration plans for greater employment. A few minutes ago I asked the Minister of Labour about the financial end and his answer was that is a matter for the Minister of Finance.

Quite honestly, I do not believe that is something the Minister of Labour can expect us to swallow. If the government does have something in mind the Minister of Labour obviously knows the plans they are considering, and surely he must have been in communication with the Minister of Finance as to how that is going to be financed. He must know how they are going to finance something in the future. I think we in this house have a right to know how they are going to do it if the House of Commons is not in session. My understanding is and always has been that the House of Commons and the Senate are the only bodies that can authorize the expenditure of money.

Now, I presume the plans of the Minister of Labour must involve the expenditure of federal funds. Can he tell us, because he must know, how the financial angle is to be handled and how, when those plans are at the point of being promulgated, the government is going to obtain the authorization of the House of Commons to do those things? Is there going to be a special session of the House of Commons or is it going to be done under authority of order in council, anticipating that at the next session of parliament a supplementary estimate will be passed? Surely this is one of the simple questions that should be asked by a member of the opposition. I hope the minister can give us a little more detailed reply than he gave to my question a few moments ao.

Mr. Starr: I do not know what particular financing the hon. member has in mind or what particular project he has in mind when he is so worried about financing. Let us take, as an example, the municipal winter works program. This is being financed by a supplementary estimate which will come before the House of Commons possibly during the next session of parliament, at which time parliament will be asked to approve it. An announcement was made in that respect. There will have to be a supplementary estimate for the additional cost of training the unemployed workers. This will be brought before parliament at the next session. Whatever the projects are, so far as I know at the moment, whatever the projects may be which will be approved, an announcement will be made and there is no doubt but that the proper method of financing will be used in that respect.

Mr. Winch: In other words the governor general in council can use a blank cheque in connection with a policy about which this parliament knows nothing.

Mr. Pearson: I wonder if the minister can tell us how many, if any, of the members of this economics and research branch are working on the committee that was set up some five months ago to try to find a new method of measuring unemployment?

Mr. Starr: There are two members.

Mr. Pearson: May I ask the minister whether this committee has completed its work, and whether the Department of Labour representatives on it have reported to him

in regard to that work? I ask this, Mr. Chairman, because it is obviously a matter of interest and importance to this committee, when discussing labour estimates, to have before it the work that has been done in this field. It would have been of great assistance to us if that work, which has been going on now for more than five months, could have been completed so we would have the report before us.

I know that the measurement of unemployment is not nearly as important as unemployment itself, but in order to assess the problem it is useful to have the proper statistics. There is a great deal of controversy now on this subject. This committee was set up for this purpose, and it has been working now for many months. Can the minister indicate whether there is any likelihood that we will have a report from him, during the discussion of these estimates, on the work of the committee?

Mr. Starr: I am advised that the work of the committee is nearing completion, and that they expect to write their report and make a report to the Minister of Trade and Commerce and to me during the latter part of next week.

Mr. Pearson: I think it is very unfortunate that a report of this importance, which has a direct bearing on the consideration of these estimates, will be made to the minister concerned a few days after we have finished the discussion of these estimates.

Mr. Thrasher: You still have trade and commerce.

Mr. Pearson: Yes, we still have trade and commerce, and perhaps the minister will take up the matter with his colleague the Minister of Trade and Commerce to assure that when those estimates come before the committee we might have that report.

There is an interesting paragraph about this problem of the assessment and measurement of unemployment in this labour research bulletin to which I have already referred, which indicates that our present methods are not very satisfactory. We know that, because if they had been we would not have set up this committee. There are two procedures followed at present. One may result in the setting of a figure for unemployment which is too high, whereas the other may result in a figure which is too low. In commenting on this the labour research bulletin had this to say:

> The government figures give people without jobs and seeking work as a percentage of the labour force. This is not the same thing at all. The labour force includes not only wage and salary earners and the unemployed, but also employers, own accounts (the self-employed) and unpaid family workers in a business or on a farm. In 1959, these people averaged over 18 per cent of the Canadian labour force, so that the difference between labour force and labour supply was substantial. To measure unemployment against a conglomerate mass of workers, employers, the self-employed and unpaid family workers is really not sensible.

Then further down it goes on to say:

> So the sensible thing to do is measure unemployment against the total of "paid workers" (the neat d.b.s. term for wage and salary earners combined) plus the unemployed.

That seems to me to make sense. I think that is in accord with the international labour office method for the measurement of unemployment, which we have not adopted in this country but which perhaps this committee may recommend. If that does make sense, Mr. Chairman, it shows that unemployment, as a statistical measure in this country, is even more serious than one would gather from the dominion bureau of statistics figures given to us from time to time.

Mr. Lambert: You are comparing apples and oranges to arrive at that conclusion.

Mr. Winch: That is what some of the unemployed cannot buy, apples and oranges. I feel that our discussion on item 165 and the previous item amply demonstrates why some members in this house thought it would be preferable to adjourn in June and come back in September, at which time the committee could have considered any proposal this government had in mind with regard to unemployment. This proves that we were right in making that suggestion.

I should like to ask a question of the minister under this item 165. If my memory is correct, and I think it is, the last information the Department of Labour issued on the number of those who were seeking employment in Canada indicated that there were 124,000. I think it said there were 124,000 who had been unemployed for four months or more. In view of that information, available to and supplied by his department, I should like to ask the minister whether, under this item for the economics and research branch, any special study is being made of the problem of those who have been unemployed for many months—I refer to the 124,000 for four months or more—as to the particular trades or professions in which they have been trained, with the idea of evolving any proposals to take care of that situation.

What I have in mind is this. Among that 124,000 is there any particular group or are there any groupings of trades or professions, and is any kind of research being undertaken with regard to them in an effort to try to solve the problem?

Mr. Starr: We have not that information here at the moment. We can check and see whether we can get that information.

Mr. Winch: It is not so much a matter of wanting a break-down; what I want to know is this. You have that problem of 124,000 out of those 300,000 applicants, I think it was according to the last statistical review. Is any special study being made by the minister's economics and research branch as to whether they break down into certain trades and professions, with a view to taking some remedial action?

Mr. Starr: I am told they are not certain whether there is any special data pertaining to these people mentioned by the hon. member, but generally speaking, on the whole manpower situation, our economics and research branch are continually studying and assessing the various categories.

Mr. Winch: I should like to ask this question. If any data are available, are they mostly of a trained or untrained classification? I am referring to the 124,000.

Mr. Starr: I am told that we can check on the matter right away. However, at the moment that information is not available to me.

Mr. Pickersgill: Mr. Chairman, this seems to me an appropriate moment to make a suggestion that I have been turning over in my mind since the minister answered the Leader of the Opposition about this attempt to reconcile statistics, and the report of this joint committee on the matter. While the minister has said that this report may be available in time for consideration of the estimates of the Department of Trade and Commerce, it seems to me that procedure would not really be satisfactory to the committee for this reason. The Department of Trade and Commerce is merely the vehicle through which the bureau of statistics reports to parliament, but this is the department that has some responsibility in the matter. Particularly in view of the need for the minister to wait for certain information asked for by the hon. member for Vancouver East, it seems to me that the most suitable way of meeting this problem would be to have the minister let this item stand and go on with the rest of his estimates. Then at the end of the committee of supply, after all the other departments have been taken up so there will be a maximum amount of time to get this important document or this essential information and for all members of the committee to study it, we could resume the consideration of this particular item. I ask the minister to consider that suggestion.

[Mr. Winch.]

Mr. Nugent: You would then want it held until the government could consider it?

Mr. Pickersgill: On that point may I say that I do not think it is a matter of the government considering this document. I would think both departments would welcome all the criticism of the document they could get before they decided to scrap the existing statistical basis and adopt a new one. I am making a serious request to the minister. At the same time I should also like to ask him a question about this study. I should like to ask him whether the committee, in its studies, have consulted Mr. Arthur MacNamara, who has perhaps greater experience in this field than anyone else in this country and who has, of course, a continuing connection with the minister's department or with a certain organism of the government connected with the minister's department.

Mr. Martin (Essex East): He is chairman of the unemployment insurance advisory commission.

Mr. Pickersgill: Yes; he is chairman of the unemployment insurance advisory commission and, as I happen to know, he has extremely strong views on this question. I should be greatly interested in knowing whether he has been consulted in the course of this study.

Mr. Starr: In answer to the hon. member for Vancouver East I want to say that I am now informed that these categories he mentioned are mostly untrained, but no specific data is available on the occupation characteristics of those who are unemployed for more than four months.

The Chairman: Shall vote 165 carry?

Mr. Pickersgill: Can the minister indicate what he proposes to do about my request?

Mr. Starr: What was your request?

Mr. Pickersgill: The suggestion I made to the minister was this. In order to enable the committee to consider this report and to do so in the context of the minister's department, where it should be considered rather than under the Department of Trade and Commerce, my suggestion was that he should allow this item to stand until all the other business of the committee of supply has been done and then have it called. By that time, if his prognostications are correct, the report should be available to us. The other question which he might answer at the same time, is whether or not Mr. MacNamara was consulted by the committee.

Mr. Nugent: What if the report is delayed?

Mr. Pickersgill: In that case it could not be considered.

Mr. Starr: In answer to the last question, as to whether Mr. MacNamara was consulted, may I say that the answer is no, according to members of the committee. As to the first part of the request, the answer as far as I am concerned is no, because these are the same tactics that were adopted by the hon. member last year.

Mr. Pickersgill: Really, Mr. Chairman, I think we deserve a better answer than that. I was not speaking just for myself. I was speaking for my friends on this side of the house; I refer to the official opposition in this House of Commons. I do not think this is an answer that the minister would like to leave on the record unmodified, namely the suggestion—and after all, it is unparliamentary—that these were the same tactics I used last year. There is an implication in that answer, and it is contrary to the rules to attribute motives.

However, I am making nothing of that matter. What I am saying is this. The request I made was made two years ago, as I think the minister will find, not last year. As the minister will recall, I made a reasonable request at that time. I requested that we should let one item stand until the winter works program was announced. What happened? The then house leader, who is now Secretary of State for External Affairs, and the Prime Minister, when asked formally by my colleague the hon. member for Laurier, all refused that reasonable request.

When was the winter works program announced? It was announced in September. Where was it announced? It was announced at a provincial Tory convention in the province of Saskatchewan. Therefore if the minister objects to my tactics, I would remind him of the history of that incident. I had not intended to raise this matter at all. It was the minister who did so. However, when it is suggested that these things should be dealt with by parliament and not at provincial Tory conventions, it seems to me that the opposition is on fairly sound ground.

I repeat the request to the minister, as it is a reasonable one. Since he expects this report next week, and since it would be quite as easy to deal with this item then as it is now, I ask the minister to reconsider his answer.

Mr. Winch: May I just say one word on this matter, Mr. Chairman. I am inclined to agree with the hon. member for Bonavista-Twillingate. I am rather afraid that there is now on the part of the government a tendency to forget the principles which they espoused with regard to a democratic parliament for so many years when they sat on this side of the chamber. It is the responsibility of the opposition to offer critical analyses and make constructive and alternative proposals. I believe that is what we are trying to do, but how can we do it if all possible information is not before the members of the committee? We do want to help the minister in solving this problem, but the only way we can do this is to have full information.

I would ask the minister whether by postponing this vote for a matter of two, three, four or five days it would be possible for him to supply anything more by way of factual information, reports or advice so that all members of this committee can do a better job in representing those who sent us here and in assisting him in the most difficult problem he is facing.

Mr. Starr: I do not know what factual reports the hon. member refers to.

Mr. Winch: I understand there is one which will be filed in two or three days.

Mr. Starr: There is the report of the committee which is working in an endeavour to recommend a measure of employment with regard to the future, but that is all.

Mr. Robichaud: Reference was made this morning to certain forecasts in a report recently issued by economists in this country to the effect that the number of unemployed next winter could be much higher than it was in the past two winters, and some had gone as far as to say that it could be over the one million mark. On the other hand we have the Minister of Labour saying last night that he certainly hoped the situation would be much better next winter.

The minister must have some basis on which to express this hope, and when he was asked a while ago what he was basing this statement on he said it was based on the announcements made by the government. The only announcement we have had so far which could provide any relief to the unemployed is a very moderate extension of the winter works program, a program which was announced at a provincial Conservative convention in Saskatchewan last year which resulted in the 54 Conservative candidates losing the election, 40 of them losing their deposits.

We have an accelerated housing construction program which will come into effect in early fall. Housing construction in many areas of the country is almost impossible during the winter months, and I would ask the minister whether, in making this statement to the effect that he hopes the situation will be better next winter, he is taking

into consideration the recommendations which have been made to him in the reports he has received from the economics and research branch of his department. If he has, then there seems to be quite a contradiction between the minister's statement and the reports which have been referred to this morning of certain economists in the country.

A while ago some government members objected to the production of such a report, saying that the one referred to by the Prime Minister two years ago was a report which had been produced in the past. I ask the Minister of Labour what objection he has to making available to this committee the report he received last May forecasting the labour conditions for the summer months. I think we should have a reply to this question.

Mr. Starr: The hon. member has repeated now that which was said earlier by his leader, and I have answered his leader on both those points.

Mr. Tucker: I have a couple of questions for the minister. I would like to know if he could break down the 55,000 people helped last year by the winter works program. In my section of the country for the last two years the winter works program has been in operation it has been absolutely useless, because we have about 110 inches of snow and three or four feet of frost. Our council journeyed to Toronto on two different occasions to meet the government about this, and they came back on both occasions empty handed.

Mr. Pearson: The hon. member for Bonavista-Twillingate made what I thought was quite a reasonable suggestion, which the minister turned down, in respect to this report on new methods of measuring unemployment. We are told that this report will be available next week. We have been told that we will be permitted to discuss it on the estimates of the Department of Trade and Commerce. However it is true, as the minister will admit that his own department has a primary relationship to the matters which will be considered in this report. We will undoubtedly be told this by the Minister of Trade and Commerce when we try to get information out of him about it.

Therefore I ask whether, when this matter comes up for consideration on the estimates of the Department of Trade and Commerce, the minister will be able to make himself available to the committee at that time so we can question him about it when the report is before the committee.

Some hon. Members: Carried.

Mr. Martin (Essex East): We are awaiting a reply from the minister.

[Mr. Robichaud.]

Mr. Starr: What was the question?

Mr. Pearson: It was a very simple one. When this report of the committee on statistical methods for measuring unemployment is before the committee on the estimates of the Department of Trade and Commerce next week, would the minister if possible—and there may be something which will make it quite impossible—be available to the committee at that time so we can question him about this report, as well as the Minister of Trade and Commerce?

Mr. Starr: The estimates of the Department of Trade and Commerce are the responsibility of that particular minister, and I do not feel I should make myself available on the estimates of the Department of Trade and Commerce.

Mr. Martin (Essex East): This is a matter of considerable importance; because if parliament is going to adjourn or prorogue within the foreseeable future—at any rate that is the hope—we may be confronted with a situation where once parliament is not in session, the government might resort to a standard of measurement of unemployment that may not be as satisfactory or as scientifically desirable as possible. It could be that when we come back here next January, if that is the government's intention, the government by that time will have accepted or devised a formula which will not fully reveal the extent of unemployment in this country

Five months ago the government announced through the Minister of Labour that an interdepartmental committee had been set up to study this problem. We have three standards of measurement in Canada; the dominion bureau of statistics figure, the unplaced applicants figure, and the number of live claims. Under the international labour office standards, the dominion bureau of statistics figure of people without jobs and seeking work, added to which is the figure of people on temporary lay-off, is in the judgment of that body perhaps the best standard to use.

It is difficult for us to understand how it could have taken all this time for this interdepartmental committee to come forward with a report. It certainly is open to us to suggest, as did the Leader of the Opposition, that it is a rather interesting coincidence that the government hopes to be able to present the report of this interdepartmental committee just as we are about to prorogue. That, I think, is not an unfair argument, particularly when we recall how difficult it was to get from the minister any indication as to what progress is being made.

One excuse was that one of the members of the committee was away, and on that

account the hon. gentlemen could not get information as to the progress being made. Then when we asked whether the minister had inquired, he said no; and when it was pointed out how unfortunate that position was, the minister said, "Does the hon. gentleman think I would not make inquiries?" So all the facts concerning the situation warrant our belief, or our suspicion, that this particular timing has been arranged by the government to suit its own convenience.

Can the minister tell us whether there will be any change made in the standard of measurement without this house being given an opportunity of debating the merits of any change that may be contemplated.

Mr. Starr: The hon. member has been very severely criticizing the members of this committee for not bringing in a report in time to satisfy him—

Mr. Martin (Essex East): I was criticizing the minister, not the members of the committee.

Mr. Starr: I must say he is most unfair in doing that.

Mr. Martin (Essex East): On a point of order, there has been no criticism of any member of this committee. What I and others have been doing is to criticize the government and not any member of this committee.

Mr. Starr: As usual the hon. member has no point of order. He merely wishes to interrupt and straighten out what he thinks should be said. The members of this committee are very valued civil servants of the highest calibre drawn from the three different departments. There were times when two or three of them were away and the committee did not meet as a result. Consequently a delay occurred. But I feel certain that whatever method of measuring unemployment is recommended by this committee, if it is adopted by the government as a measure of unemployment, because of the calibre of these people it will commend itself even to the opposition.

Mr. Martin (Essex East): Can the minister say whether the economics research division assists in the preparation of the annual report of the department?

Mr. Starr: They contribute to the report on their section.

Mr. Martin (Essex East): Yes. I have before me the report of the department for the fiscal year ending March 31, 1959. In view of the responsibility of the Minister of Labour in the matter of unemployment, I make some observations about the table of contents and the actual content of this report.

The work of this department is important, and the various matters which engage the attention of the department are of equal importance. But since unemployment and employment are among the ministerial responsibilities of the hon. gentleman and his officials, I should be grateful to the minister if he would explain why there is no mention in this report, in so far as I am able to ascertain, of the problems of unemployment at all.

I have before me page 6, the table of contents. I have looked at the introduction, where I would expect to find some reference to unemployment. I find, for instance, in the first sentence, the following: "The department's activities to stimulate winter employment gained momentum during the year". However, there is no detailed discussion; there is not one paragraph of discussion concerning the problem of unemployment.

In 1958, in 1959 and in the current fiscal year we have had much unemployment. It is difficult to understand why there would not be in this report of the Department of Labour a discussion of the problem which has occupied the attention of this committee since yesterday morning. I see at page 38 a reference to the work of the economics and research division. There are passages dealing with relations between labour and management, labour organizations, strikes and lockouts, wage rates, working conditions and so on, but I see no reference to the question of unemployment. On page 40 I see a heading "Employment and the labour market" but there is certainly no discussion of the problem there or any proposed remedies. I see on page 41 the heading "Seasonal employment". All that is said there is:

> Increasing concern about winter unemployment led to detailed further study during the year of seasonal employment problems. A statistical summary of seasonal variations throughout industry and in different regions of the country was prepared for the national winter employment conference in July.

I see, too, that seasonal unemployment in British Columbia is the subject of a special study. By the way, when the minister was asked for some information he could possibly have produced the results of these surveys and studies, which might have provided answers to some of the questions, at least, which we have been asking. But will the minister explain to the committee why in the report of the Department of Labour there is no substantial reference to or discussion of what is the most important responsibility of the Minister of Labour, and what is the most important single domestic problem facing Canada at the present time?

Mr. Starr: Never at any time has the annual report contained any such thing as the hon. member for Essex East has in mind. The annual report of the Department of Labour deals with the activities of each branch of the department, not with the state of the nation. However, we do make mention on page 40 of the report, under the heading "Employment and the Labour Market" to the *Current Manpower and Labour Relations Review* which appeared in the *Labour Gazette* copies of which have perhaps been sent to the hon. member and the question of unemployment is discussed very fully in the *Labour Gazette*.

Item agreed to.

166. Annuities Act administration, $1,194,357.

Mr. Martin (Essex East): Could the minister tell us the number of pension plans covered in group contracts which were written up to the end of the last fiscal year?

Mr. Starr: For the fiscal year ending March 31, 1960 group certificates issued amounted to 11,564.

Mr. Batten: Mr. Chairman, under the Government Annuities Act passed in 1908 a government annuity is a fixed yearly income purchased from and paid by the federal government. The minimum annuity is $10 and the maximum $1,200, or $100 per month. In table No. 4 on page 29 of the report of the department we notice that interest in this plan has been relatively stable over the years. From 1955 to 1959 the number of individual contracts has been in the vicinity of 6,000 and the number of group certificates has ranged between 15,000 and 18,000.

I have had some inquiries concerning this plan, based on the fact that the maximum annuity of $1,200 per year is probably not worth as much now as it was 10, 20 or 30 years ago. My question to the minister is this. Would he give me an explanation of the section in table No. 3 at the bottom of page 28 dealing with the amount of the annuity where it refers to "over $1,200"?

Mr. Starr: These are carryovers from the time the maximum of the government annuity was above $1,200. At one time it was even up to $5,000. These are carryovers that have been in existence.

Mr. Batten: Is it possible at present to buy an annuity in excess of $1,200?

Mr. Starr: No, Mr. Chairman.

Mr. Batten: Is any consideration being given to increasing the maximum allowable, Mr. Chairman?

Mr. Starr: Not at the moment.

[Mr. Martin (Essex East).]

Mr. Pearson: I wonder if the minister could tell me—perhaps I should know—how these annuities are now being marketed, how they are being sold.

Mr. Starr: Through our government annuity representatives in various parts of the country, and directly to people who write to the annuities branch. We have annuities representatives as we had in the past. They are also sold through direct communication with the annuities branch here in Ottawa.

Mr. Batten: Are there annuity agents in all the provinces of Canada?

Mr. Starr: Yes, Mr. Chairman.

Item agreed to.

General administration—

526. Annuities Act—To authorize the payment of interest, in the current and subsequent fiscal years, out of the government annuities account, on premiums being refunded that were paid under a contract entered into with Her Majesty pursuant to subsection (3) of section 6 of the Government Annuities Act where such premiums are in excess of the amount required to purchase the maximum annuity payable under that act to an employee of the purchaser; the said interest in respect of premiums being refunded shall be calculated at the rate of interest applicable to the premiums at the time they were received and such interest shall be payable for the period from the day on which the excess premiums were received by Her Majesty to the day on which the refund is made, $1.

Mr. Martin (Essex East): Mr. Chairman, can the minister tell us how many pension plans are underwritten by group contracts as for the last fiscal year?

Mr. Starr: Approximately 1,100.

Mr. Martin (Essex East): That would cover how many employees who are actually in the working force?

Mr. Starr: About 258,000.

Item agreed to.

167. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $595,271.

Mr. Robichaud: Mr. Chairman, this item covers the administration of the Industrial Relations and Disputes Investigation Act. As I mentioned in my remarks last evening, I should like to remind the minister that when his estimates were under discussion last year he stated on May 15 that during the present session this act would be amended. Twice this session, in reply to questions I addressed to him, the minister said the act would not be amended during the present session. On one occasion I believe the hon. gentleman said

that amending the act would require lengthy preparations. Would the minister give us a definite explanation as to why the act was not amended this session, as promised by him on May 15 last?

Mr. Starr: I made a detailed study of the possible amendments. I felt that because of the far-reaching effects they may have on the lives of many thousands of Canadians, this matter necessitated an even more intensive study. This I am proposing to do; and in this course of action, I might say to the hon. member, the Canadian Labour Congress concurs.

Mr. Winch: Through the auspices of the commonwealth parliamentary association and the House of Commons I had the opportunity last year of visiting Australia, Singapore, Indonesia, Thailand, Malaya, Israel, Pakistan and the United Kingdom. Within a few days of my return to Vancouver, after an absence of three months and based on discussions I had with industrial and political leaders throughout the world, I made a speech for which I have since been condemned and commended. I said that I felt it was my responsibility to say that I thought Canada was facing a serious crisis in the months and perhaps the years ahead. I said if we were to maintain our standard of living and our competitive position as an exporting nation, there would have to be greater co-operation and collaboration among labour, industry and government.

I retract not a word of my speech made last December following my trip. Circumstances unfortunately have borne out the correctness of my statement. I say unfortunately, because there have been developments in Canada since that time which amply demonstrate the correctness of my conclusions. We face serious unemployment in Canada today and perhaps the problem will be more acute in the months and years ahead. We face increased competition from abroad, and threats of economic combinations. We are confronted with the possibility of cold war such as we have never before witnessed.

I therefore feel there is now an absolute necessity to have co-operation and collaboration among labour, management and government in the interest of all the people of Canada. Unless there is that co-operation and collaboration, critical as the situation may seem at the present time, conditions can get worse, and no one in this house or in Canada wants to see conditions get worse. I feel so strongly on this matter that that is the reason I rose.

I am not retracting one word I said, popular or unpopular though it may be. We have to face major responsibilities in these critical times. We have to recognize, as I said yesterday, that automation is marching onward. We have to recognize—and I think this is of the utmost importance—and I am afraid too many in labour, management and government do not, that we are no longer in a seller's market; we are in a buyer's market. Since we are in a buyer's market, the interests of Canada demand a social consciousness on the part of all people. They demand that one segment of the economy shall not damn everybody else for everything that is wrong; and I apply that, sir, to government, management and labour.

I said when I returned last summer that one of the greatest needs, if labour and management could not get together, was for government to take the initiative in bringing them together. Government should take the lead within our capitalistic economy because, although I am a socialist and want to see socialism, I am a practical socialist and the practicality of socialism is ham and eggs on the table tomorrow morning for everybody if they like ham and eggs; if not, whatever they like or desire.

Therefore, Mr. Chairman, although you may have thought I was out of order I am not, because I wanted to make those remarks as an introduction to a question on this item. I notice that the last part of item 167 has to do with the promotion of labour-management co-operation. Will the minister give us the fullest possible explanation of what, through the medium of his department, is done in the realm of labour-management co-operation; not only what has been done by the money expended in the past but in particular what will be done, the activity and the policy, in the fiscal year to which those estimates apply.

I know I am very often guilty of repetition, but I do want to reiterate that in my personal, and I will say humble, opinion we have now passed the time when government, with the knowledge and reports it should have; industry, knowing the competition they are now facing in a buyer's market and not a seller's market; and labour, that must have employment in order to live, have to get together and put their cards on the table—when I say that I mean it—and not completely condemn or damn each other, because undoubtedly there are mistakes on all sides. They should not try to find excuses, but should put the cards on the table so people can be employed, so they can produce and either consume or sell the produce so that government can function and meet its responsibilities.

This is the only item I know of under which the government can take a greater initiative in trying to bring about co-operation and understanding. If I say any more it will be repetition. I hope I have said enough to show how seriously I view this situation, and how important I think it is that on the initiative of government, management and labour relations should be improved. Would the minister be so kind as to say what is planned in so far as the government and this particular section of his department are concerned to bring about something which I maintain is absolutely necessary and long past due? Unless it can be done, serious as the problems now are, they may be more serious and more critical in the not too distant future.

Mr. Starr: Mr. Chairman, I wish to thank the hon. member for Vancouver East for his contribution in respect of this vote, because I think it is very worth while. This is a matter that is in the minds of a great many people who have this interest at heart. I must confess to the hon. member that it is a very important matter in my own mind. What has been done in connection with this vote has been only on the plant level. We have helped in every way we could to organize committees on this plant level to promote efficiency in operation, reduce waste, promote safety measures and accident prevention. There are some 1,582 committees that we work with at that level for this purpose, but I think that is not enough. I think labour, management and government in fact should go beyond that. I want to thank the hon. member and assure him that this is also uppermost in my mind, to see what can be done in that sphere.

Mr. Pearson: Mr. Chairman, I also listened with great interest to the remarks of the hon. member for Vancouver East, who has so much knowledge of and interest in this field and who has expressed that interest and knowledge inside and outside this house over the years. I agree with him that industrial disputes which lead to strikes and the interruption of work are too expensive in our economic society to be tolerated if anything can be done to prevent them. They are wasteful; they impose a burden on the cost of production of goods in Canada at a time—and my hon. friend has said this—when that burden may prevent us developing our export trade and meeting the competition of other countries, and thereby prevent us from giving the kind of employment which we all want to see in this country.

I mentioned last night that employment in manufacturing is not as relatively important in our economy as it was, but is still responsible for one out of every four jobs in Canada. Therefore we cannot afford this kind of thing any longer, any more than we can afford not to have a trade union movement as the basis of collective bargaining to prevent industrial disputes. The procedure for the purpose, of preventing industrial disputes, as the minister has said on more than one occasion, can be improved, can be made more effective, can be modernized, can be brought perhaps into a closer relationship with the industrial and labour situation at the present time.

The minister told us two years ago that he was going to amend the act. He has now told us it is such an important matter that more time is required. However much time is required, I hope those steps will be taken in the next session at least, and that we shall pass amendments to this legislation which will help the country to more effectively deal with this problem than has been the case recently; though I do not think we have too much with which to reproach ourselves in this country. Certainly our record is not perfect, but it is not nearly as bad as that of some other countries. In any event, we must improve on the present industrial relations disputes mechanism to make co-operation among labour, management and government in the settlement of such disputes more effective. No mechanism alone, however, is going to improve this problem. It is a problem which requires the exercise of wisdom and self-restraint on the part of all the elements in our society which are affected.

Some months ago I read, and perhaps the minister did too, a paragraph in a British white paper on the economic implications of full employment. It was presented by the United Kingdom Prime Minister to the parliament of that country about a year ago. There is one section of that white paper which deals with conditions of price stability, and it is a paragraph that seems to me to have a bearing on the whole question of industrial disputes. It reads as follows:

> ... If the prosperous economic conditions necessary to maintain full employment are exploited by trade unions and businessmen, price stability and full employment become incompatible.

This may seem to be labouring the obvious, but we do not always, in our economy, understand the obvious or perhaps we do not always act on the obvious. It goes on to say:

> The solution lies in self-restraint in making wage claims and fixing profit margins and prices, so that total money income rises no faster than total output. In the absence of such self-restraint, it may seem that the country can make a choice—albeit a painful one—between full employment and continually rising prices, or price stability secured with some danger to the level of employment that might otherwise have been achieved.

On this subject of industrial disputes and how to improve our present procedures, I read the other day a very interesting article in a magazine called *Saturday Night*. The article was entitled "Common Sense Laws to Prevent Strikes" and was signed by somebody called Frank Howard. I wonder whether this is our colleague in the house, the hon. member for Skeena, although there is no implication to that effect in this article. If it is not the hon. member for Skeena I should apologize—

Mr. Browne (St. John's West): Why should you apologize?

Mr. Pearson: I apologize for attributing to him an article, even if it is sensible. I should not give him credit, even for a good article, if he did not write it. This paragraph begins:

When labour goes on strike, or management resorts to a lock-out, there is only one way to settle differences—apart from government imposed arbitration.

Perhaps I might interpolate here that government-imposed arbitration, which perhaps is essential in certain emergencies, should certainly be restricted to a minimum; because compulsory arbitration by government will inevitably lead to government intervention and finally government control of the business or industry in which the government has arbitrated. Then he goes on to say:

The two sides must get together and talk out their differences. It is at this point that we need drastic changes, both in the law governing industrial disputes and in the procedures we have set up to handle these disputes.

Then he proceeds to recommend some changes. I would be interested, if the minister saw fit to comment, in hearing his observations on some of these changes that are recommended in this article by Mr. Frank Howard. I am only going to pick out some of the more important ones, at least the ones that seem important to me. He says:

First, we should eliminate the use of conciliation boards, even though they have effected some settlements. Their work is repetitive of that of conciliation officers.

Then he goes on to add:

At the moment, time and lack of authority handicaps the conciliation officer and restricts him in his efforts to assist the disputing parties. We should give him the power to arrange meetings of the two parties and the right to ensure attendance at such meetings.

In other words he would eliminate the board and exalt the importance and authority of the conciliation officer. Then he says this:

A time limit should be set within which each party should indicate to the other and to the Minister of Labour whether it intends to accept or reject the recommendations of the conciliation officer . . . Following this, and if rejection is made by either party, a strike or lock-out vote should be allowed.

Then he goes on in connection with this procedure by making this proposal, which I think is both interesting and important.

The strike or lock-out vote must be by secret ballot.

He has a good deal to say about the use of the courts and judges in the conciliation of industrial disputes. I should not have said "the courts"; I should have said judges. He says:

More and more as union-management relations have developed we have seen the entry of judges of the courts into those relations. Judges are schooled in the ways of jurisprudence. Their lifetimes are spent in dealing with words and the interpretation thereof.

I would suggest that a section of the court be established to deal with questions of interpretation of, and disputes arising out of, collective agreements. But, the activities of such a labour court should be confined to dealing with grievances and must not be extended to the field of negotiations.

He then says:

If two parties to a collective agreement want to name a permanent arbitrator then they should be allowed so to do and should not have to take their differences to a particular person or place for an adjudication.

This is an interesting article, especially if it should be an article written by a member of parliament, and it puts forward some constructive suggestions which no doubt will be considered by the minister when he is working on the Industrial Relations and Disputes Investigation Act. If he would comment on some of these points I have put before the committee I would be glad to hear his views.

Mr. Starr: First of all may I say that I do not believe this Frank Howard is our colleague.

Mr. Pearson: May I just intervene, then, to withdraw, *ex post facto*, any reference to the hon. member for Skeena.

Mr. Starr: Some of the things he suggests in the first part of this article have been in effect in the federal jurisdiction for many years, and with some success. The same suggestions have been made by other people in the provincial jurisdiction but not the federal jurisdiction. We have received no representations at any time from any of those affected by the federal Industrial Relations and Disputes Investigation Act that conciliation boards should be abolished or the services of conciliation officers should be eliminated. Our experience has been that about three quarters of the disputes under federal jurisdiction have been settled by conciliation officers. They have performed very useful functions in this regard. The balance of one quarter of the disputes with which we have had to deal have been settled by conciliation boards.

I am not going to comment on what the experience has been in the provincial field; that is an entirely different matter. In these circumstances, and in view of the experience we have had, I feel that this is a good procedure. Certainly in my estimation anything in which success is to be found should not be thrown overboard by something else that may not be as thoroughly tested as is this procedure.

Item agreed to.

168. Civilian rehabilitation branch including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $217,170.

Mr. Martin (Essex East): The minister mentioned this item in general terms in his statement in chief. This has to do with what may seem to be an unexciting assignment on the part of the department but which in fact is one of its most constructive responsibilities. It has to do with the rehabilitation of disabled persons; and of course, whatever the federal government is able to do in this desirable field depends on the kind of arrangements and collaboration that can be established between the provinces and the federal government. Can the minister tell us how many cases of rehabilitation the department has provided for in co-operation with the provinces? I think the number of cases in 1955 was about 1,000. I am speaking now from memory, of course. Can the minister give us an answer to this question, and tell us something about this particular vote and what is happening under it?

Mr. Starr: The number of rehabilitation cases in which full details are available during the fiscal year 1959-60 was 1,459. Of this number, 940 were males, 519 were females and 1,097 were dependants.

Mr. Robichaud: I have a few more questions to ask on this item and I think they should be answered by the minister. I understand that this item covers payments to the provinces to co-ordinate and develop activities for the rehabilitation of disabled persons to the amount of $150,000. Can the minister tell us how many provinces are sharing or participating in this plan? Another thing that is of interest to me is to note that the amount of $67,000, or approximately 46 per cent of the total grant, is required to administer this branch. In other words, even in this year's estimate there is an increase of $7,320 to cover the expenses of this civilian rehabilitation branch. I think the minister should clarify these matters before the item is passed.

Mr. Starr: The main function of this branch is to co-ordinate the services of the various departments which are interested in this type of work. There are nine provinces participating with which we have agreements at the present time.

Mr. Robichaud: What province is not participating?

Mr. Starr: Quebec.

Mr. Robichaud: What amount is being paid? Is an equal amount paid to each province, or is the amount in proportion to the population?

Mr. Starr: Whatever each province asks, that amount is being paid. The amount varies.

Mr. Robichaud: Why was there an increase of $7,000 in the administration of this branch this year?

Mr. Starr: The increase represents a general salary increase.

Mr. Robichaud: One thing that seems rather surprising to me is that it should take $67,000, or 46 per cent of the total amount, to administer a grant of $150,000. To me that is a rather surprising amount.

Mr. Starr: There is an extremely complex problem involved and a complicated type of undertaking in respect of the administration of this particular branch. They are engaged frequently in conferences of various sorts with various departments and with the provinces. It most certainly takes a great deal of time and a staff of some size to perform this function.

Mr. Herridge: Under the various workmen's compensation boards certain rehabilitation work is done for men who have been injured in industry. What relationship is there between this vote and the activities of the boards in that respect? Is there any degree of co-operation in that type of rehabilitation?

Mr. Starr: There is co-operation but no actual participation with the compensation boards of the various provinces.

Item agreed to.

Special services—

169. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $502,075.

Mr. Martin (Essex East): This is a vote that has been reduced from last year, when the total amount requested was $588,786. The minister this year is asking for $502,075. This item covers the special services branch, which includes the promotion of a program for combating seasonal unemployment. I hope the minister will be in a position to tell us why,

at a time when seasonal unemployment is so high, the government should find it desirable to reduce this vote. The minister undoubtedly has a good explanation, but in the absence of that explanation he will not wonder if I have some concern. There are other items that might be reduced, but at a time when there is so much unemployment, and particularly as some of it is seasonal, we ought to know why the reduction has taken place. The minister might tell us—

Mr. Starr: Will the hon. member allow me to answer one question at a time? I get confused when I get about three or four questions at one time.

Mr. Martin (Essex East): I beg the minister's pardon.

Mr. Starr: It is a little confusing to me.

Mr. Martin (Essex East): But the minister is sitting down. I do not understand.

Mr. Starr: I am getting the answer to the first question.

An hon. Member: The minister is getting the information.

Mr. Starr: We have participated in an immigration hostel in St. Paul which now has been closed down because there is no further use for it.

Mr. Martin (Essex East): Is that in Saskatchewan?

Mr. Starr: No, it is just outside of Montreal. The total cost was some $86,000. That practically takes care of the amount that is shown as a decrease under this branch.

Mr. Martin (Essex East): Will the minister tell me what is being done pursuant to the vote on this item? The minister will understand that if seasonal unemployment is a factor, as the minister indicates and to the extent that he indicates in the present level of unemployment, this is a vote on which we should be given a comprehensive statement as to what is being done to combat seasonal unemployment.

Mr. Starr: This special services branch was organized in April, 1950 to handle projects which developed from time to time and which did not fall within the purview of the other branches. The main programs at present that we undertake are listed as follows: the federal-provincial farm labour program; the organized movement of workers between Canada and the United States; organization and development of the program to combat seasonal unemployment—I may say that is the do it now program—the municipal winter works incentive program. This branch also acts as liaison with associations and employers in the various industries with regard to their manpower problems.

Mr. Pickersgill: Since this is the item on which it is possible for us to discuss the winter works program, I would like to ask if the government gave any serious consideration to the suggestion which was put forward repeatedly by members of the official opposition, that instead of this 50-50 cost sharing basis some other formula should be devised more in keeping with the equalization formula for the payment of assistance to the provinces under the tax-sharing arrangements act.

As has been repeatedly shown by the hon. member for Gloucester, the hon. member for Burin-Burgeo and the hon. member for Humber-St. George's in speeches which I happen to recall earlier in the session, these winter works are concentrated mainly in the provinces which relatively need them the least, because they are the areas where the province can afford to pay its share. I think it would be interesting if the minister would tell us how many of the 55,000 jobs provided last winter were in the four Atlantic provinces, and how many were in Ontario.

Mr. Starr: What is the first question you want me to answer? Do you mind if I take them one at a time?

Mr. Pickersgill: Not a bit. I will ask the factual question first, and it is this. Of the 55,000 jobs, if that is the right figure—and I do not know what 55,000 jobs mean—

Mr. Starr: That is incorrect; it is 51,000.

Mr. Pickersgill: I beg the minister's pardon; 51,000. I would presume that a job for one day is a job and a job for three months is a job, but they are very different things to the person who has the job. It is really job-days which are significant, and if the minister could tell us how many job-days there were in Ontario and how many job-days there were in the four Atlantic provinces I think it would help us to see whether this program is really providing the most help where it is most needed.

Mr. Starr: The estimated number of man-days of work provided in Ontario totalled 539,075. The number of man-days of work provided in the province of New Brunswick totalled 55,100; in the province of Nova Scotia, 135,778; in the province of Prince Edward Island, 100 man-days and in Newfoundland, 18,166 man-days.

Mr. Pickersgill: Perhaps the minister would not mind giving the figure for the whole country.

Mr. Starr: The estimated number of man-days of work provided totalled 1,938,839.

Mr. Pickersgill: The next question I want to ask is this. The minister will certainly see that the number of man-days of work provided in the province of Newfoundland, which unhappily had relatively the highest level of unemployment of any province, is ridiculously small, to put it mildly. It is relatively a good deal smaller than the 100 days in Prince Edward Island, because in Prince Edward Island, because of the nature of the economy and the fact that the island is not very heavy industrialized, the unemployment was relatively not very great. But in Newfoundland unhappily it is relatively very great.

The minister will also see that the relief provided by this program in Newfoundland was very, very small indeed. It is for that reason, of course, that we put forward the suggestion that instead of paying a 50-50 share there should be some formula worked out dependent, in part at any rate, on the level of unemployment in the area, so that those areas with the highest level of unemployment, and therefore the least capacity to pay their share—

Mr. Lambert: What kind of unemployment do you mean? Seasonal or traditional?

Mr. Pickersgill: For the benefit of the hon. member for Edmonton West perhaps I should explain that I was talking about the winter works program, and presumably the government designed the winter works program to deal with seasonal unemployment. That is all I was talking about, and I was concentrating exclusively upon it.

It so happens that seasonal unemployment, taking one year with another, in the province of Ontario is relatively less, I think, than in any other province of Canada except possibly Prince Edward Island. It just happens to be one of the facts of life which we have to face. In other words, the seasonal problem in Ontario is the least serious compared with any other province, notwithstanding the fact that one third, if I can keep in my head the figures the minister gave me, of all the money is paid to Ontario.

Some hon. Members: No; one quarter.

Mr. Habel: It is 30 per cent to 32 per cent.

Mr. Pickersgill: My hon. friend from Cochrane, who is better at arithmetic than I, says 30 per cent to 32 per cent. Even according to my rough reckoning that is not very far from one third, and I will let hon. gentlemen split the hairs if they want to. It will not alter the fundamental point I am making, that you have in Ontario one third of the money spent in the province best able to pay its own way and which has the least or relatively the least seasonal unemployment.

We do not think, having regard to the national character of this problem and the fact that this money is being paid out of the national treasury, that the 50-50 formula is a suitable one, and we put forward very strong views which the minister told us at the time we put them forward would receive careful study along with all our other suggestions. I would ask the minister what conclusion was reached after that study.

Mr. Starr: There is no such thing as a 50-50 formula. As a matter of fact this is not a cost sharing program with the provinces at all. This is a program which has been brought forward by this government to help in the municipal works program, and it was suggested by the municipalities themselves. Naturally we cannot deal directly with the municipalities because the municipalities are the creatures of the provinces, so all our work in this field must be done through the appropriate departments of the provincial governments.

At least six of the provinces have also helped in this regard by contributing 25 per cent and in one case 30 per cent of the balance of the payroll costs of this municipal winter works program. So there is no such thing as a formula that is 50-50. It is a direct contribution from the federal government through the provinces to the municipalities to encourage them to do certain works in the wintertime in order to alleviate the unemployment in those municipalities; also to lessen the financial cost with which the municipalities are burdened with in regard to unemployment assistance and other matters.

Mr. Pickersgill: The minister says it is not a 50-50 formula. Will the minister assert that there is any case anywhere where the federal government pays more than 50 per cent of the labour costs?

Mr. Starr: This is the only program.

Mr. Pickersgill: The minister says it is not a 50-50 program, and I say that the minister and I do not talk the same language. After all, that is all we have responsibility for, what comes out of the federal treasury. My understanding of the winter works program is that the federal treasury pays 50 per cent of the labour costs—

Mr. Starr: Payroll costs.

Mr. Pickersgill: Very well; payroll costs; the minister can call them anything he likes. But if they pay anything different from 50 per cent I would like to know. That is what I should like to know; if the federal government pays any other figure than 50 per cent. I say it does not matter whether the rest is paid by the provincial treasuries or

by the municipalities. The plain fact is that in certain provinces these works cannot proceed because the municipality or the province, or in many cases both, simply cannot afford to lay out the other 50 per cent plus all the other costs of the project. I say that we recognize this principle in the fiscal field —the principle of the proper equalization of these payments—and if the winter works program is to be spread relatively uniformly across this country and do good where it is most needed, a new costsharing formula is required. The minister promised us that the government would consider that—

Mr. Starr: I certainly did not.

Mr. Pickersgill: I can turn up the pages—

Mr. Starr: Go ahead, turn them up.

Mr. Pickersgill: —and show the minister where he talked about our constructive suggestions and said that every one of those constructive suggestions would be considered. If all he meant was the same kind of consideration that is being given to the western wheat growers' proposals, it would be simpler to tell people at the start that it was intended to do nothing about them. I should like to know whether the minister has really given any consideration to this matter. There are ministers in the cabinet from some of these provinces, and I would hope they have made very strong representations in cabinet council to see that a fair deal is given to their provinces and to the municipalities in those provinces.

Mr. Starr: I can tell the hon. member that no representations have been made by the municipalities or by the provinces on behalf of the municipalities with regard to the suggestion he has made. Only yesterday I read a letter from the president of the association of mayors and municipalities, who are most directly affected by this and who have not been reluctant about bringing forward suggestions; and no suggestion of this type has been put forward either by the municipalities which we are endeavouring to help or by the provinces with whom we are working.

Mr. Fleming (Okanagan-Revelstoke): I hesitate to intrude upon the time of hon. gentlemen opposite, but I should like to advance a suggestion for the consideration of the minister which is to some extent an outgrowth of the winter works program. I think it would go a long way toward dealing with this problem of seasonal unemployment and even, to a considerable extent, with the type of unemployment known as hard core unemployment.

Hard core and seasonal unemployment can be the consequence of failure to utilize most effectively the reservoirs of resources, skills and knowledge which already exist. It can be proven, I believe, that in many areas unemployment is most severe where an imbalance of development is found; where primary industry is not supplemented by secondary industry; where a single industry, either primary or secondary, maintains an entire region. It is in these circumstances that very often we find the most severe conditions of winter unemployment occurring and where there is growing evidence, also, that continued long term unemployment is likely to occur. The problems, to a large extent, originate in the inadequate utilization of existing resources, skills and knowledge, and the solution must therefore lie, at least in part, in a more effective use of these elements.

If we consider the contribution of the Department of Agriculture, not only the federal department but the departments of agriculture of all the provinces as well, we find that diversification, together with increased production and efficiency, have resulted from study, experiment and advice flowing steadily from these departments to the farmers concerned. Where advice based on study and experiment has been heeded, improvement has followed; but where advice has not been offered, or where it has been given and gone unheeded, there is a history of decline. This is positive evidence that close co-operation between a department of government and the people connected with an industry can have a beneficial effect.

Today we have been discussing the winter works program. Part of its effectiveness has been because of the utilization of voluntary committees of citizens in communities throughout the country in co-operation with the Department of Labour, national employment service offices in various communities and other associations concerned. My opinion is that if we could combine the type of service which has been effective in the agricultural industry with the method of reaching the people who need help through the use of committees similar to the voluntary citizens' committees which are now at work, we might achieve some very effective results. The majority of government departments, through their specialized branches dealing with economics, marketing, scientific research and so on, possess immense stores of knowledge concerning all resources in the industrial, commercial and agricultural fields. To be of greatest value this knowledge must get into the hands of people who can use it in developing the economy. There has to be an interchange, a flow of ideas, from the government to the people who can put this knowledge to work.

The means of doing this at the present time seems to exist in Canada only to a limited degree. My suggestion is that this lack of facilities might be offset by the use of regional development councils. Councils of this type do exist in Canada now. They also exist in the United States. But there is no national program of development councils, no ordered program which would achieve this result of utilizing most effectively all the resources of knowledge of all levels of government, municipal, provincial and federal.

Mr. Pickersgill: Would the hon. member permit a question? Did I correctly understand ihm to say there was no national program?

Mr. Fleming (Okanagan-Revelstoke): I said there was no national program of regional development councils of the type I have suggested. They exist now in regions but their work is on a local rather than a national level.

I believe that the way we can achieve the best results from this all-embracing program would be to provide a means by which these councils could readily obtain all the information which exists in all the departments of government that might be concerned. I believe that the onus for creating these councils lies with the regions which require help, regions where economic development is lagging or is in a state of imbalance. The communities within a prescribed area would form a council embracing representatives of municipal governments, business, industry and labour and this council would apply to the responsible government authority for a study of the problems of the region.

This is why I feel that the special services branch might be the one most affected by an idea of this kind. The regional council would come to a special designated authority in government and ask that a survey of its resources be made to determine what steps and assistance could be used to bring about an elimination of this state of imbalance. The federal government would act as a catalyst in bringing together all the resources of specialized knowledge that would have an application to the problem of the region under study. I would assume that the federal government, acting as a catalyst, would also have to secure the participation and cooperation of all the provincial governments, because those bodies also have a tremendous store of useful knowledge that could be valuable in a scheme of this sort.

Perhaps I may be permitted to give a specific example to show how this plan might work if it was acceptable. For the purposes of my illustration let me choose a region dependent on agriculture, forestry and tourism—and if hon. members closely examine this illustration they will recognize that its economic constitution parallels that of my own riding—with only a small proportion of secondary industry and that largely seasonal. This region would request a study of its deficiencies and its strength. Representatives of the Department of Agriculture, the new department of forestry, the Department of Labour and in this instance the dominion travel bureau would be assigned to meet with the regional development council that had been created in that area. In consultation with the council the strength and weaknesses of the regional economy would be very closely assessed. Out of this would come a series of meetings at which officials of the specialized branches of government would, through the council, bring to the attention of the region the knowledge that could be put to work in its development.

I feel that the primary function here is to stimulate the latent initiative of the people in the region, because so much of the solution of the problems with which we are faced must originate with the people themselves. Government cannot do it all. Therefore the people in regions that are experiencing difficulty must be shown what they can do. Their own initiative must be tapped. They must be given a clearer conception of what might be done and a better understanding of their own potential, as well as what might be achieved through their own resources and what types of outside aid might be most profitably sought.

The role of government as I see it is to reveal possibilities not previously realized, to provide counsel, to encourage and lead toward balanced development. This is not simply the responsibility of government alone but is a responsibility that should be spread through the entire community. This plan would serve to make readily available to the people in the region affected the knowledge they may need to help them realize their own potential.

Mr. Martin (Essex East): Mr. Chairman, I am sure the committee has listened with interest to the speech that has been made by the hon. member for Okanagan-Revelstoke. As a matter of fact one wonders why more hon. members on the government side do not take part in this highly interesting discussion concerning this most important department.

Some hon. Members: Oh, oh.

Mr. Montgomery: We do not get a chance. You fellows talk all the time.

Mr. Martin (Essex East): I would be very happy to hear the whip of the Conservative party speak on this matter, because the hon. gentleman represents a constituency like mine where there are many workers who are very much affected by this proposal.

Mr. Pallett: The greatest industrial expansion in the history of the riding is taking place right now.

Mr. Martin (Essex East): That is interesting, because that is the riding where the greatest dislocation occurred when the Avro contract was cancelled.

Mr. Pallett: I invite the hon. member to read the last few issues of the Brampton *Conservator* the contents of which indicate that a tremendous industrial expansion is occurring in that area.

Mr. Martin (Essex East): I am glad that my hon. friend recognizes that the measures undertaken by the former government led to expansion in many areas in Canada.

Some hon. Members: Oh, oh.

Mr. Lambert: That is pure political humbug.

Mr. Martin (Essex East): My hon. friend says "That is pure political humbug". No one should know better than my hon. friend what is humbug.

Under this item we have the opportunity of discussing the winter works program. The minister has sought to indicate by reading the letter of the president of the Canadian Federation of Mayors and Municipalities that this group endorses the program in its entirety. If the minister intended to create the impression that this letter was an endorsation of the program in its entirety, I am sure he will now agree that such is not the case. Undoubtedly the program was welcomed by the association of mayors in our country, just as it was welcomed by every hon. member of this committee. The criticism levelled by those in this party and by the mayors of Canada is that, welcome as it is, the program is inadequate and incapable by itself of meeting the problem of current unemployment.

I submit to the minister that notwithstanding the refinements and modifications announced by the Prime Minister last Saturday, the government has not taken into consideration the points raised by the Canadian Federation of Mayors and Municipalities at page 4 of the representations they submitted to the government in 1959. They observed that:

> The difficulties arise consequent upon the inability of municipal governments to finance the high costs and carrying charges of urban renewal requirements and the requirements occasioned by rapidly expanding urban growth—The difficulties of municipal governments are more in the field of capital costs rather than in the field of annual operating and administrative costs.

This is the heart of the criticism, yet this program does not touch the matter of capital cost, which is the main concern of the municipalities. This program is one in which the government shares with the municipalities and with participating provinces to the extent of 50 per cent of the payroll. That is the extent of the assistance provided by the federal government. It is absurd to suggest that this program can be represented as a vigorous onslaught on unemployment.

The minister told the hon. member for Bonavista-Twillingate a moment ago that least year 51,000 men were put to work under this program, but we know that in the month of March or thereabouts, on the basis of the lowest figures there were somewhere in the neighbourhood of half a million people out of work, 55,000 on the basis of the dominion bureau of statistics figures.

Last Saturday the Prime Minister, of course, did not mention the 25-point program put forward by the Liberal party this session, all of which were referred to by the Minister of Labour as inconsequential proposals. One of them, No. 7, provided for the modification of this program to make it more acceptable to the municipalities, as recommended by the federation of mayors and municipalities. The Liberal party did not put forward anything constructive, said the Minister of Labour, but last Saturday the Prime Minister made an announcement containing some of the very recommendations made by members of the Liberal party this session.

Mr. Lambert: The hon. member should be in Stratford.

Mr. Martin (Essex East): Let me tell the hon. gentleman where he should be. He should be in this committee giving careful attention to this problem, because he represents a city where there are lots of people who are vitally concerned with the effects of a program like this.

Mr. Lambert: They get on with it, too.

Mr. Speakman: Mr. Chairman, I rise on a question of privilege arising from the remarks made by the hon. member for Essex East concerning the attendance of the hon. member for Edmonton West in this chamber. The hon. member for Edmonton West is one of the most faithful attenders in this committee.

Mr. Pickersgill: Whose privilege is that?

Mr. Martin (Essex East): If I have offended the hon. member for Edmonton West or the hon. member for Wetaskiwin I want them to know I take it back. Of course the hon. member for Edmonton West is a very active attendant in this committee, and no one

complains about that. I am sure he is a very sincere and devoted member. What I was complaining about is that I would like him to be as attentive to this matter as he is in respect of his attendance in this chamber.

The government takes the credit for this program. It says that as a result of its contribution to it, this represents a vigorous program designed to take care of the unemployed of our country. It speaks as though it was responsible for most of what was done by this limited program. Let up analyse the representations made by the Canadian Federation of Mayors and Municipalities, and see how insignificant is the 50 per cent share of the payroll cost of winter works projects carried out by the municipalities. I refer to page 1 of the representations made by the Canadian Federation of Mayors and Municipalities to the government in 1959. Here is what that body says with regard to the break-down of contributions to the winter works program:

> The estimated total costs (labour, materials, etc.) of the approved projects aggregated $81,375,000.

They are now speaking of last year.

> It is expected that the direct payroll costs will mount to $27,358,000, toward which the dominion government has undertaken to contribute $9,279,000, or 17.6 per cent of the total costs of the works expected to be undertaken between December 1, 1958, and April 30, 1959.

In these very figures we have the answer, we have the portrayal of the limited character of the federal government's program with regard to winter works about which so much vaunting has taken place, particularly by the Prime Minister when he spoke to this nation over television on March 3 last. This winter works program, to the extent that it goes, is welcome; but it does not meet the problem of unemployment. We have the statement of the mayor of Ottawa with regard to the inadequacy of this program, which was made only a few days ago.

It should not be forgotten that this program, in so far as the federal government is concerned, covers only 50 per cent of the payroll. It does not make any contribution toward the cost of supplies, and it does not deal with many of the indoor projects, suggested by the Canadian federation of mayors. I ask the Minister of Labour if he will deny that 50 per cent of the labour payroll costs represents only about 10 per cent of the cost of a project. If that is the case, one sees more clearly the limitations of this program which the Prime Minister in particular refers to with such satisfaction, as a method of providing work for the large number of unemployed.

[Mr. Martin (Essex East).]

Mr. Thrasher: Would the hon. member like an answer to the question he put? The municipalities themselves estimate that the percentage is 34 per cent, not the 10 per cent which he indicated.

Mr. Martin (Essex East): My hon. friend says the 10 per cent is wrong and that it is 34 per cent? Will the hon. member explain? I referred to the statement made by the federation of mayors and municipalities and I quoted from page 2. Does my hon. friend recall what I said?

Mr. Thrasher: These are the estimated figures that came in from the municipalities for individual projects.

Mr. Martin (Essex East): It should be 34 per cent instead of what I read?

Mr. Thrasher: Thirty four per cent.

Mr. Martin (Essex East): That is the estimated figure. If my hon. friend says that, I accept it. This is the first chance I have had in this house to congratulate the hon. gentleman, who comes from my county, on his appointment as parliamentary secretary.

An hon. Member: It has taken a long while.

Mr. Martin (Essex East): My hon. friend does not want me to make any comment on that. I was taking advantage of the first opportunity to congratulate a man for whom I have the highest esteem. I said I was advised that it was about 10 per cent of the cost. The parliamentary secretary corrects me and says it is about 34 per cent. I have here the statement made by the organization in 1959. It will be found on page 2, under the winter works program:

> The prescribed range and nature of works eligible for payroll assistance restricted such works to outdoor construction projects. This consideration acts to the detriment of those municipalities located in the more northerly sections of the country where, depending on the severity of winter weather, outdoor construction costs can be 50 per cent higher and more than in other parts of the country... the payroll saving costs to these municipalities is, therefore, much less than the face value of the 50 per cent federal sharing in such costs or of the combined federal and provincial sharing in those provinces which contributed a further 25 per cent or 30 per cent to the total payroll costs.

Therefore it cannot be argued that this program is one which fully satisfies the municipalities. It certainly is not one which satisfies the municipality from which I come; it certainly is not one which satisfies the city of Toronto, and it certainly is not one which satisfies the city of Ottawa. As the hon. member for Bonavista-Twillingate pointed out, the cities to which I have referred to are areas, where there is a greater capacity on the part of the municipality to bear its share of the burden. But in most areas,

apart from my own city of Windsor, which is one of the areas where we have and have had a persistent level of unemployment, the winter works program, because it exacts a heavy contribution by the municipalities, does not enable in those municipalities as ready an opportunity of participation as cities like Toronto and Ottawa, where the municipal revenues are higher.

It is pointed out also by the association of municipalities, that whatever benefits do exist in this program are perhaps in large measure cancelled out by the cost of interest on municipal loans. Many municipalities, in order to undertake projects, have had to borrow. In order to participate a municipality itself must be prepared to make a major contribution. The only way a major contribution can be made in the case of municipalities which do not have the resources is by seeking credit. Everyone knows that pursuant to the financial and fiscal policy of this government, credit has not been obtainable in the last two years, except under exorbitant and unusually high interest rates.

Under this vote we are given the opportunity of pointing out what are the limitations of this program, limitations which certainly had not been analysed by the Prime Minister in the announcement he made last Saturday and which went all over this country as though a very comprehensive approach was being made to the solution of the problem of unemployment. Under this vote there is something else the minister can tell us, namely what the Department of Labour is doing; because after all a large sum of money is being voted, or is being asked for, namely $500,000. Since unemployment to a large extent, according to the minister, is seasonal, what is being done by the government to meet this seasonal unemployment?

I recalled to the minister last night, the work being done in the United States on this aspect of the problem. With regard to the comprehensive report made by Senator Eugene McCarthy, the chairman of the joint congressional committee on unemployment, I may say that body went from one end of the United States to the other examining this problem. When I find that we have in this country a statement as meagre as that which has been given us on these estimates, compared with the exhaustive analysis and report made, and made public, in the United States, I wonder whether a full appreciation exists on the part of the government as to how serious this problem is. We have pockets of unemployment in our country that have persisted now for some time. Are we to go on saying that this society of ours can do nothing about this problem? Our society can do something about this problem. Our society can do something if the government is prepared to take those steps which will at least permit it to make the proper assessment which, under this vote, should be made available.

Mr. Winch: May I ask, at the same time, if the minister will answer a question which I have in mind. It has to do with the position of a municipality which may desire to take advantage of the winter works program. Evidence has been given here last night and today that some municipalities may be most anxious to take advantage of these programs but may be caught because of their inability to put through the necessary plebiscites for loans to obtain the money. My question is this. Has the minister who is in charge of the winter works program given any consideration or sought the advice of the Minister of Finance concerning the possibility of applying or renewing an act, the title of which I cannot remember exactly, concerning municipal financial aid? I believe that under this act the federal government made certain moneys available to the municipalities at low interest rates. Has consideration been given, in relation to this winter works program, to applying this financial aid act which I believe is still on the statute books?

Mr. Starr: To my knowledge no consideration has been given to applying this particular act to which the hon. member has referred. However, I assure him that I will certainly look into it and take up the matter with the Minister of Finance.

In reply to the hon. member for Essex East, may I say that I realize how vitally interested he is in this problem of seasonal unemployment. From time to time he has expressed his opinions about it. I want to say to him that, so far as seasonal unemployment is concerned, in our winter works campaigns we have some 175 committees organized at the local level. These committees are organized to tie in with the local employment office activities. These committees are comprised of public spirited citizens from trade union organizations, management, women's institutes, service clubs, chambers of commerce and so on, as well as municipal and provincial bodies and governments. These are people of high calibre, outstanding citizens in their communities who are helping in our efforts to combat winter unemployment. Many useful suggestions have come from these bodies, and many have been implemented.

We have had some success in combating seasonal unemployment, although it is extremely difficult to give an accurate figure or measurement of that success. I want to

thank these people, on behalf of the government, for their efforts, which are put forward on a voluntary basis. I should like to extend the same thanks to the local radio and television stations and the newspapers which have donated freely of their time in connection with municipal winter works campaigns and the do it now campaign. We believe that as a result a great deal of this unemployment in the wintertime will be alleviated.

Mr. Macdonnell: I should like to make one comment on the remarks made by the hon. member for Essex East. I believe everyone in this house feels, and indeed it has been said, that the Minister of Labour has been greatly concerned about helping in every way he can by the use of this particular program, under which 50 per cent of the cost of a special works program undertaken in the wintertime is paid for by the federal government. This program is of comparatively recent origin, and it was designed to meet special conditions. I would just point out to the hon. member what he seems to have forgotten entirely; that in complaining about more not being done he has forgotten to tell us which federal tax he would recommend raising.

Mr. Martin (Essex East): My hon. friend asks me a question. I would not hesitate, if I had given the assurances which were given by the Prime Minister, to fulfil those promises to take every way possible of doing so even if it involved the implication in my hon. friend's question.

Mr. Winch: We in our group are in agreement, and we would point to the corporation tax and the capital gains tax.

Mr. Pickersgill: There is one thing I should like to point out before this item passes. I have had a little bit of arithmetic done for me—I say "done for me" because I did not actually do it myself—in connection with this winter works program. I believe that the lowest possible level of unemployment last winter, even taking the dominion bureau of statistics figures for every month from December right through until April, was about half a million. This figure of 1,930,000 working days divided among 51,000 people, according to this arithmetic I have, means 38 days of work each. I do not say that to disparage what has been done, but merely to bring these things into their proper proportion. It does seem to me that before we inflate and exaggerate these things we should know what the facts are. The unfortunate fact is that if you take the number of unemployed in the areas where the burden is greatest, you will find the number of days of work provided would be away below this figure.

I know the minister will say that when these works are performed they provide supplementary work in other ways, and that of course is true. Supplies are used and equipment is used. However, I would question very much, after two years of winter works programs, whether many of the winters works that have been done across this country under this program would not have been done anyway. That again is not to disparage them. It is desirable to encourage some of this work in the wintertime; there is no doubt about that.

However, I should be interested in being told this. Of course the minister can say that this matter is not within his competence, and he is right if he says that; because the decision as to the projects rests with the municipalities or with the municipalities and the provinces, and not with the minister. All he does is veto them if they do not come within his categories. I should be greatly surprised if any independent appraisal would show that many things were done under the winter works program that would not have been done anyway at some time during the year in which they were done.

Mr. Brunsden: Will the minister permit a question?

Mr. Pickersgill: Does the hon. gentleman mean me? If he does, I am complimented.

Mr. Brunsden: Is the hon. member suggesting that the winter works program should be abolished?

Mr. Pickersgill: No.

Mr. Brunsden: And that we make no contribution to Canadian employment?

Mr. Pickersgill: No. I am not suggesting that at all although in fact, as far as the province which I represent is concerned, it would make little difference whether or not it was abolished. I say that because the government will not listen to our argument that the federal treasury should pay for this national problem in proportion to the severity of the problem. In the hon. gentleman's province, according to one of his colleagues here in the House of Commons, there is practically no unemployment at all. Nevertheless I understand they get a considerable share of this winter works program.

Mr. Brunsden: He is a good member.

Mr. Pickersgill: I am talking about the whole province.

Mr. Brunsden: I said he is a good member.

Mr. Pickersgill: I do not know what the city is that was mentioned by the hon. gentleman, because it was not about that city that I was told by another hon. member. However, there is no doubt that a considerable share of this money goes to the province of Alberta where there is, according to what we read in the public print, no debt; where they are rolling ahead—

Mr. Brunsden: That is provincial.

Mr. Pickersgill: These are provincial and municipal matters. As I was saying, presumably in Alberta the province should have no difficulty, with their ideas—they seem to have a great deal of support in that province—in doing this without any federal help at all. Yet far more winter works are done in Alberta in proportion, if not absolutely, than in all four Atlantic provinces where there is a really serious problem. That is precisely the point I am seeking to make. In my opinion this crude approach or this 50-50 approach just does not cope fairly with the problem where it is most intense.

Item agreed to.

Vocational training co-ordination—

170. Administration, $112,905.

Mr. Robichaud: This is one of the most important branches now operating under the Department of Labour. References have been made in this committee by members of the opposition to the need to increase the facilities for vocational training in this country. That was recognized, especially after the statement made by the minister on July 23 when he made a special announcement in this house respecting the training of unemployed workers. On that occasion the Minister of Labour said it had been demonstrated many times in Canada and elsewhere that training is an avenue to steadier employment and to improved working and living standards.

In his announcement the minister stated that as a means of stimulating still further training of unemployed workers throughout the country, the government had decided to increase its contribution in this field from 50 per cent to 75 per cent of the total cost. But here again the government placed upon the provinces certain conditions when assuming this increase in cost. In other words, this increase would be paid only after the province reached a certain minimum which would equal its participation in previous years. At the time these estimates were prepared by the department the Minister of Labour as well as the government must have been well aware of unemployment conditions throughout the country. I cannot see how, at the time of the preparation of the estimates, they could decide to reduce the item for vocational training co-ordination by $1 million.

Furthermore, when we look at the details of these items, which are shown on page 241, we notice that in the payments made to the provinces there is a reduction. I may be slightly out of order, Mr. Chairman, but I am taking together items 170 and 171 which pertain to this branch. I am now referring particularly to item 171. By adopting this procedure I thought it would be easier for the minister to answer my questions.

Referring to the payments to the provinces, we note that in the amount for vocational and technical school assistance there is a reduction of $1,100,000. This reduction comes at a time when everyone seems to recognize that there is in this country a shortage of skilled labour and a need for further training. Referring to the training of unemployed workers, I notice that while last year we spent $525,000, this year we are called upon to vote an amount of $610,000, an increased of $85,000. Will the minister advise this committee whether any estimates have been arrived at as to the extra amount that may be required in order to meet the commitments which were announced in the House of Commons on July 23 last, when the minister made the announcement respecting the training of unemployed workers?

Mr. Starr: It is difficult at this time to estimate the cost for this present fiscal year owing to the increase in the federal contribution. As soon as we have some indication from the provinces—and the provinces have been advised of this formally—then of course we will be in a position to estimate the cost. This estimated amount will, of course, be brought before parliament in supplementary estimates.

As to the reduction of $1,100,000, this comes out of a program that was established in 1957. It is a five-year program for capital projects, that is to say the building of schools, to which we contribute 50 per cent. This contribution over the five-year period was in the amount of $25 million. Certain allotments out of this $25 million have been made to the various provinces. The provinces indicate to us their requirements for the ensuing fiscal year and we pay them from that $25 million in that fiscal year. The reason there is a reduction of $1,100,000 is that this is the amount of the requests which have come from the provinces. That is the lower amount they need for this year. If they had requested the same amount they had last year, most certainly that contribution would have been made. It is based on requests from the provinces for capital expenditures on vocational schools.

Mr. Robichaud: Can the minister supply us with further information with regard to the building of schools under this program? Can he give us details as to the assistance which is being given to the province of New Brunswick, or which will be given during the fiscal year 1960-61; and can he tell us what particular schools will be covered by this assistance?

Mr. Starr: I think the hon. member wants to know how much New Brunswick is prepared to pay during the fiscal year 1960-61, or how much is requested for capital projects?

Mr. Robichaud: Yes. The reason I ask is that in New Brunswick there is an urgent need, perhaps more urgent than in most of the other provinces, for this vocational training.

Mr. Starr: For the period of five years New Brunswick submitted to us a program for schools in various areas in the province. I am afraid I will have to read them to the hon. member and put on the record the municipalities in which these schools are proposed and the amounts which are allocated from our vote to the provinces.

First of all there is the New Brunswick technical institute at Moncton, $980,349.26; Andover high school, $277; Bath high school, $219.55; Bathurst high school, $1,193.97; Campbellton high school, $574.34; Caraquet high school, $825; Carleton vocational school at Woodstock, $216.25; Centreville, $173.56; Edmundston, $22.55. It is a very long list; does the hon. member require any more?

Mr. Robichaud: Perhaps it could be supplied later.

Mr. Starr: Yes, I will supply it later.

Mr. Pascoe: Mr. Chairman, I intended to wait and speak on item 171, but it has been referred to now. Under this item I would like to draw to the minister's attention the increased contribution by the federal government for special training of unemployed workers, as announced in this house last week by the Right Hon. Prime Minister. I am particularly interested in this program, because for the province of Saskatchewan most of this training will be done at the new technical institute in my home city of Moose Jaw.

Classes for unemployed workers were carried on last winter at the institute in Moose Jaw, although the building was only partially completed at that time. Training was given in four classes; motor vehicle repair, carpentry, plumbing and sheet metal work. I believe these classes were very successful.

In last winter's training program the federal government paid one half the cost. For this winter's training classes the federal government will pay 75 per cent of the cost provided a certain minimum number of trainees are enrolled. That is my main reason for speaking now, Mr. Chairman. I want to point out that Ottawa will now pay three quarters of the cost if the provinces make the necessary effort to meet the minimum requirements.

On page 241 of the blue book the estimate of federal payments for training unemployed workers is $610,000, up considerably from the amount estimated for this purpose in the last fiscal year. This is only a preliminary estimate, as pointed out by the Minister of Labour, because as the Prime Minister indicated in his announcement last week, supplementary estimates will be necessary if the provincial governments take full advantage of the federal offer.

Mr. Robichaud: Will the hon. member permit a question? In order to have the record straight, will the hon. member refer to the announcement made by the Minister of Labour, not the Prime Minister?

Mr. Pascoe: The Prime Minister also made an announcement last week, if you would read it. I think all members will agree that money for this purpose will be very well spent. As the Minister of Labour has indicated on other occasions, there are employment opportunities for skilled workers. I believe he said there are vacancies right now for such skilled workers. In view of this fact the program that will be carried on in Moose Jaw this winter, and for which the federal government will pay 75 per cent of the cost, is a very important move toward providing more and better paid jobs.

You will notice that I have repeated three or four times this major assistance from Ottawa of 75 per cent of the cost. I do this with a purpose, Mr. Chairman, because the Saskatchewan government in past years has given the federal government very little credit for this assistance. I have two newspaper clippings to which I wish to refer. One is headed "Saskatchewan Scores First", and the first paragraph of the article reads:

> Saskatchewan has scored another first in the launching this year of a special winter training program for the unemployed—

A second newspaper clipping is an advertisement headed "Government of Saskatchewan, Department of Education, Winter Training Program for Unemployed". The advertisement outlines regulations for these training classes, particularly in regard to dates and duration of courses, types of training, qualifications for applicants, transportation and living allowances. Perhaps the minister can give more details in this regard.

In conclusion, Mr. Chairman, I would like to refer to one paragraph in the Minister of Labour's statement. Reading from *Hansard* of July 23, page 6820, here is the paragraph I wish to emphasize:

> It has been demonstrated many times in Canada and elsewhere, Mr. Speaker, that training is an avenue to steadier employment and to increased working and living standards. We must do all we can in the interests of individual workers, their families and the country as a whole to raise the level of our manpower skills.

I think this is a challenge, Mr. Chairman, that the provincial governments should accept to the fullest extent possible, especially when Ottawa is paying most of the cost. I would like to ask the minister whether unemployed workers are fully informed of this opportunity to improve their working skills, and if they can take the courses referred to while they are drawing unemployment insurance.

Mr. Starr: They will be informed by the unemployment insurance offices where they are registered, and of course they will be eligible for unemployment insurance providing they have made the contributions to receive it.

Mr. Herridge: Mr. Chairman, this is a very important branch of the department's activities, and in our opinion will grow more important as the years go by, particularly under the circumstances we have been discussing in the last two days. I was one who was concerned with this reduction in the estimates of over $1 million, but I can understand that in view of the minister's information. But apparently in respect to this vocational training scheme the initiative is left to the provinces, and after listening to the hon. member for Moose Jaw he certainly demonstrated that the province of Saskatchewan has seized the initiative.

Mr. Pascoe: But we are paying for it.

Mr. Herridge: But it took the initiative in the first place in co-operation with this government, and I congratulate the government of Saskatchewan on that account. Now, that is tit for tat.

I rise particularly because this is a matter of increasing and growing concern to the constituents I have the honour to represent. Over the last five years various local organizations and groups have recognized the necessity for some type of vocational training institution in the southern interior of British Columbia, and on that account they have made representations to the provincial government to take advantage of this scheme, so far without result. In view of coming events in British Columbia this fall they may get a more favourable reaction in the immediate weeks ahead.

As a result of this failure on the part of the provincial government to take the initiative and make application to the federal government for assistance in this field of vocational training, there has been nothing done to date to provide the facilities which are sorely needed now. Interest in this is growing. There have been meetings of various organizations. I have had resolutions sent to me and I have received letters from various groups and from people who are supporters of all the parties in Canada, women's groups and so on.

First of all, I should like the minister to say what he thinks is the best course for local people to follow in prodding the provincial government into action. Then I wish he would inform the committee of any proposals for the extension or construction of vocational schools or the extension of vocational training in British Columbia this year. Also, would he be good enough to inform the committee whether, in connection with assistance to students, a person drawing unemployment insurance can continue to draw that insurance while receiving assistance from this fund.

Mr. Winch: May I ask one or two questions in the same vein? Earlier this afternoon I asked the minister about the 124,000 people who have been unemployed for four months or more. As I understand it, the vocational training scheme is going to provide instruction in new technologies, and that cannot be done properly in one month or in six months. Can the minister tell the committee whether training of this sort would apply to the 124,000 people I have mentioned and, if so, what arrangements have been made or are being made, with the provinces to ensure that the men who are undergoing training will receive assistance in respect of themselves and their families? They have to live while they are undergoing this training, and I should like to know what the arrangements are.

Mr. Starr: A person who undergoes this training must be referred by the unemployment insurance commission, and if he is eligible for unemployment insurance he is able to draw unemployment insurance. In addition, the provinces may make an allowance in respect of that person and his family during the period of training, to which this government contributes as part of the overall cost of training that person.

Mr. Winch: Is there any time limit? If a man is being retrained, for example, that is bound to take considerable time. How long may a man continue to receive assistance?

Mr. Starr: During the whole period of the course, whatever the time may be. Some

courses are shorter, some are longer; but for the whole period of the course the person being trained is eligible for that allowance.

Mr. Winch: I presume that no matter how long the course may be, if insurance benefit runs out there is an arrangement between the Department of Labour and the provincial government concerned. I presume the man will receive welfare payments, or is there a payment the same as unemployment insurance?

Mr. Starr: We must not lose sight of this fact, that the organization of these courses must be a provincial responsibility. It is the provincial governments which undertake to arrange these courses, not the federal government. We say we are prepared to pay 75 per cent of the cost of training an unemployed person providing the provinces undertake to establish and supervise these courses; and if they make allowances for the upkeep of the persons being trained we gladly contribute to the extent of 75 per cent.

Mr. Winch: The federal government also pays 75 per cent of the cost of maintenance?

Mr. Starr: That is right.

Mr. Batten: I believe that vocational training is important to Canada, and I think it is particularly important at this time. We live in a large country, a country which is going through an acute transition stage toward becoming an industrial nation. I think it is fair to say we have reached some industrial stature even now, but I certainly believe the years ahead will show that we are capable of reaching a greater industrial stature than we have attained at the present time. In order to do this Canada will have to provide for those industries we have now and for those we will have in the future the type of skilled labour which those industries will demand, and we must do this not only to provide work for those who live in this country at the present time but also to maintain our exports, which provide jobs and a living for a large percentage of our population.

Industries as they go forward, whether it is a matter of improving old plants by automation or of introducing new processes, are going to require different types of skills, and I believe it is the responsibility of Canada to train young people so they may have the skills which industry demands. I know I am not in order when I say that I believe we are not spending enough in Canada on education generally. That, of course, is a matter for the provinces, but here is one field of education where the federal government could play a very important part.

I think we spend all too little on education in Canada. I have said before in the house, and I am going to repeat it now, that during wartime we spent millions of dollars so that men could fly through the air like birds; we spent millions of dollars to see that men could swim through the water like fish, and we spent millions of dollars to see that men could be carried over the surface of the earth as machines for destruction. I think it is about time we spent a little to see that men may walk the earth in peace. I say again that we in Canada have not spent enough on education generally, though I recognize that this is not a field into which the federal government can inject itself.

However, here is one aspect of education in which the federal government can play an important part. Last year, on education generally, Canada spent between $1 billion and $1.5 billion, and of that amount $57 million was spent on vocational training. In other words, 3.7 per cent of the total amount of money spent on education in Canada within the last year was spent on vocational training or, to put it in other terms, out of every dollar spent on education in Canada only four cents was spent on vocational training.

Here we are as a growing nation faced every year with the problems of young people coming out of school and looking for employment, yet we spend only 4 per cent of our total expenditure on education for vocational training. There may be those who believe that all students should go through school and follow an academic course leading to the arts and professions and so on. I think nature has decreed that a large percentage of our people are equipped to do that kind of work, but nature has also decreed that there are those who are going to have to make their living with their hands. I believe we have large numbers of young Canadians who have great native talent, but it needs to be trained. We spend billions of dollars to refine our raw materials for our factories but we spend very little—four cents out of every dollar spent on education—to refine the human resources that will process these raw materials.

In Canada we must look forward to the years ahead when our people are going to be engaged in some form of industry. I have disagreed in this house before and will do so again with any type of 50-50 policy initiated by the federal government. In some cases it works out very well, but in others it does not. In the case, for example, of the trans-Canada highway, as I mentioned in this house on a number of occasions, it works out

to the advantage of some provinces but with respect to others it is an imposition. In the case of vocational training that statement is equally true, because the provinces which need the money most are those which can least afford to get the greatest advantage out of the program. In Newfoundland, for example, at the present time 37.5 per cent of the total revenue of the province is spent on education, yet last year we had only 694 students enrolled in trade courses, 175 as apprentices and 303 in vocational high school.

Mr. Brunsden: What was the total school population, the total number of students?

Mr. Batten: Yes, in this particular type of training.

Mr. Brunsden: The hon. member did not understand my question.

Mr. Batten: I believe we should be training larger numbers of students in the manual skills, that will enable them to be employed by people who need the skills which they are able to provide.

I receive many letters from my constituents asking me to find jobs for them in one manufacturing concern or another. Some of these people I know very well and others I do not know at all. I sometimes have to write these people and ask what they can do. If they are unable to do anything but ordinary labour, then it is clear that in these days when so many jobs are being done by machinery these people have nothing to offer a prospective employer.

Surely every Canadian should be able to do something well. I believe this form of vocational training is particularly important to our young people. I do not know how many of the young people coming out of school at the end of each school year are employed the following year, but if a large percentage of these people are unemployed, and if they make up a fairly high percentage of the total unemployed persons in this country, this only points up the greater need for this program.

I was pleased to hear the minister announce the other day that the federal share of the cost of training unemployed workers would be increased from 50 per cent to 75 per cent. That means that if the provinces are able to pay next year the same amount they paid last year, the total amount of money spent on training unemployed workers will be doubled. That is the mathematics of the statement the minister made. If we can increase that amount by 100 per cent we certainly will be doing a lot more than we have done in the past. I commend the minister for the statement he made, and will be interested to see how the plan works out when the department has had time to carry it into operation.

However, I wish to point out that assistance is required not only for the unemployed workers but for the whole vocational training program. Extra money is needed by every province to see that those who have been endowed by nature with some particular skill will have an opportunity of improving that skill by training so they will be able to give to the industry of their nation the new skills which are required not only by the introduction of new industries but also by the employment of automation in the old.

I do not believe that automation is going to mean fewer jobs. It may have that effect at any given time, but over the long run I believe automation will produce more jobs. It will do so, however, only for those who are equipped to take them; that is the important thing. As we look forward into the future I believe we must have an increasing concern about vocational training for our young people so they will be able to take part in industry that has benefited by automation. I have never felt that automation was a good word or one that accurately describes the process, but perhaps in the absence of a better one we will have to retain that word.

We do have automation in this country, and we have to face that fact. I think it is important that we train our people to face the type of life with which they will be confronted when they leave the confines of their local schoolrooms and go out looking for jobs.

I think, too, that we should give a little more encouragement to those who try to improve themselves. May I raise again a pet problem of mine. I have in my riding a number of men, some of them over age 20, who were engaged in various occupations long enough to qualify for unemployment insurance benefits. Due to an improved capital expenditure program on education which has been carried out in Newfoundland over the last few years, small settlements began receiving the advantage of regional high schools which were able to provide educational training which these small settlements had not enjoyed hitherto.

These men who were out of work and drawing unemployment insurance were able to do one of two things. They could sit at home, collect unemployment insurance and do nothing, or they could attend the local school and take some courses thereby improving their educational standing. But the moment they entered the local school they were no longer able to draw unemployment

insurance. I do not think that is the type of encouragement we should be giving to Canadians who want to improve their general educational standard or undertake vocational training in order to equip them to accept better jobs.

There may be some arguments for and against the case of university students, but I will not go into that now. I am dealing with the case of the unemployed worker who could have stayed home and done nothing and drawn his unemployment insurance, or who could have gone to the local school and improved himself, thereby making himself a more valuable employee for the next employer who might engage his services. By seeking to improve himself this type of student is immediately penalized for his initiative and loses his unemployment insurance. I do not think this is the way we should encourage young Canadians.

Further investigation of vocational training should be made. I suggest that this is an excellent problem for the standing committee on industrial relations to discuss next year. I also suggest that the committee of the other place on unemployment will not be doing its job well if it neglects this problem. I say, too, that at the federal-provincial conference which is to be held in the fall consideration must be given to vocational training across Canada as it applies to the federal government and all the provincial governments, so the provinces will know where they are going, what they are doing and how best to advertise among their young people the type of training that is made available by the different levels of government.

We must indeed encourage our young people to meet the standards which a growing country demands, which the industry that is responsible for making the country great, demands; but I think, too, in our program of vocational training there must be a system whereby the standards reached by those in training in various parts of Canada will be standardized. The levels of training must in some way be standardized so that those who are trained in one part of the country can be employed in some other part of the country where there is a demand for that particular type of service. This, too, is a matter which needs some consideration.

I am not going to proceed further with this, although it is one of my pet subjects. Again I want to commend the minister for the increase in the grants which are being made by the federal government for the training of unemployed workers. I sincerely suggest to him that this increase from 50 per cent to 75 per cent for the training of unemployed workers should be extended to the whole field of vocational training.

[Mr. Batten.]

Mr. Brunsden: Will the hon. member permit a question? I asked this question before, but I think the hon. member who has made a real contribution to this debate missed the point. He quoted certain statistics. What is the relation of the number taking vocational training in the province to the school population as a whole?

Mr. Batten: I can give the hon. gentleman that information, Mr. Chairman, but I think they would be rough figures. I do not have them before me, but the figures I gave for those engaged in vocational training were 694 in trade courses, 175 apprentices and 303 in vocational training. That would be roughly 1,100 students. The total school population of Newfoundland is somewhere around 65,000 to 70,000.

Mr. Bigg: Mr. Chairman, I listened to the comments of the last speaker with considerable interest, because I wish to speak along the same lines myself. It is sometimes difficult to rise in one's place and speak about education because as we know this is largely a provincial matter, but I hope these grants for vocational training open the subject wide enough to enable us to explore some of the issues which are intimately connected with this question, and one of them I think is the age at which our children leave school. I suggest to the minister that in this program of educating the public of Canada, and particularly the people who are interested in this matter on the provincial level, consideration be given to getting the provinces to agree to keep all children at school until the age of 18, and possibly the age of 20.

After the war it was my privilege to give vocational guidance to those soldiers who were coming out of the armed forces and seeking to rehabilitate themselves. The greatest problem we had was that a great many of those young men, I would assume about three quarters of them, had no skill whatsoever apart from their military training except that of being able to drive a car or a truck. Today, as has been so well put, we are becoming increasingly industrialized. It was all right at one time to leave school and go home and help your dad on the farm when you were 16, because the skills you had to learn were learned at first hand at the plow behind a team of horses; but even on the farms today you are not going to make a decent living, and you are certainly not going to be a successful farmer, one who has a knowledge of our agricultural industry, unless you have considerable technical skill.

As has been said also, the provinces are less able to finance this scheme of technical education, which covers a wide field. It covers not only industry and manufacturing

but mining, metallurgy, exploration for oil, survey of our natural resources, and this great new forestry department which is to be set up. I think there will be great need there for technical men of all kinds. It should provide an opportunity to put a lot of our young people to work in the woods, and to provide them with schooling while they are there. Perhaps even the age of 18 is too low; perhaps if you could keep them in school until the age of 20 it would assist not only in keeping all those young people from coming out as unskilled unemployed but would increase their capability once they did get out.

Mr. Winch: And free education up to the age of 20, I presume.

Mr. Valade: There is no such thing as free education; somebody has to pay for it.

Mr. Bigg: Yes, I would go so far as to say that any young person who shows the proper initiative at school, who does the right amount of work—and I think most children who do work hard show reasonable marks—should have every opportunity to continue his schooling certainly up to the age of 20. I can speak from first hand experience. Some people say, "Well, if you have the courage to go to school and the ability, you will get your education". That is not always so. During the 1930's, and this applies right up to the war—I do not blame Mr. Bennett for this any more than I blame Mr. King—it was almost impossible for a boy born and raised on a farm to make enough money to put himself through college, and I myself did not graduate from college until 1953. This may have had something to do with native ability; nevertheless there was an economic block.

If as a federal government we can lead the way in educating the provinces and the individual members of the public to spend the necessary funds, I think it will be an investment in natural resources second to none. Our young people are the greatest natural resource there is.

I also wish to say at this time that it is not good enough just to educate them. We have to create opportunities for future employment here in Canada. I get tired of hearing and reading from time to time the statistics of the technically trained young people who go south of the line. I think we are responsible for producing thousands of well trained, well educated young men and women, and not enough attention is paid to maintaining the standards of pay and opportunity here in Canada. I am not going to labour the point here, but I certainly want to put my moral support behind the last speaker and, of course, behind our ministry who are taking this forward step. As to the amounts of money provided, I am in sympathy with the provinces which do not have a great amount of money, but I think they themselves can do more to encourage vocational and technical training at the provincial level.

I should like also to say something about equal standards of education across Canada. Again this is perhaps a little bit out of line here, but it is very difficult for families who are working at occupations where they must follow the work and who must take their children out of school in one province and put them in school in another. Often they may lose a year and sometimes more of their school training. I should like to see something done to standardize education across Canada and also to standardize the licensing requirements for certain professions, such as the nursing profession, for instance. A nurse has to get a licence in each province across Canada. It seems to me that a nurse who is properly trained in Montreal is quite capable of looking after sick people in Winnipeg or Vancouver.

Educational standards are certainly something that need attention, because members of the armed forces continually meet problems in that connection. If a man is stationed at Dartmouth in Nova Scotia and goes to Cold Lake in Alberta, he will find that adjustments have to be made in the level of education of his children. I will not say whether they lose or gain, but there are adjustments to be made. It seems to me ridiculous to have 10 standards of education in a country like Canada, where our population has to shift from province to province. It is certainly affecting the free movement of our labour force, and if it is going to affect the education of our children then I say anything that encourages the young people with initiative to stay at school and improve their technical ability will add to the economic welfare of our country.

Mr. Starr: The hon. member for Kootenay West asked a question regarding this item. He asked for a suggestion as to how to prod the provincial governments. Of course the proper procedure is to have the local school board approach the department of education of that province. I think it is the department of education in the province which institutes these programs, and that would be the proper procedure.

Now then, out of this $25 million allotment for a period of five years, British Columbia has been allocated $1,859,100. British Columbia has submitted three projects to us for approval and they consist of vocational schools

at Burnaby, Prince George and Nanaimo. The date we have made available $933,582.08 out of this allotment.

Mr. Pearson: This discussion indicates one thing, Mr. Chairman; that there is no difference of opinion in the committee as to the importance of vocational training for the development of skills which are becoming more and more important to our society. This vocational training is important not only in respect of the young people—we have been discussing primarily the young people—but it has a bearing on employment problems because of the necessity for the retraining in the right vocational skills, of those who are unemployed so they may find work. Reference has already been made to this.

It is impossible to develop these vocational skills without the right kind of vocational training. At least I thought it was until I read in the newspaper a few weeks ago about a teen ager who could not read or write but was sufficiently skilled to manufacture a very complicated type of bomb which he used to blow up a neighbour's car. Normally, however, I think it is fair to say that vocational training is needed for the development of vocational skills.

Mr. Brunsden: He must have been a Liberal.

Mr. Pearson: The bomb worked. As our society becomes more industrialized the importance of this kind of training increases. Some years ago I was in the Far East, and I remember attending a dinner in Singapore where I sat beside a Chinese lady who was in charge of education for Singapore. I cannot imagine any more difficult problem than being responsible for the education of the population of Singapore. She was telling me something to which reference has been made already in this discussion, that all the young people wanted to get an academic education. They all wanted to be lawyers, doctors or civil servants. She said something I have never forgotten, and it has application to our own country; that it is more important in these days to turn out educated technicians than people who are educated merely technically. This, of course, is why vocational training is so important.

It is satisfying to learn that the government has recognized that importance and is doing what it can in this field. I read from the minister's statement the other night at page 7146 of *Hansard*:

> I may say that at the present time vocational training facilities are filled to capacity and there is a need for additional facilities.

This has been underlined by the remarks of all speakers this afternoon.

> To meet this need the provinces are being encouraged to establish additional facilities and to take advantage of capital funds which are available under these agreements.

As we know, these agreements provide for the sharing of the capital costs of these facilities on a 50-50 basis. As has been pointed out, some of the provinces find it difficult to meet their share of the cost of establishing facilities of this kind. Perhaps it is not possible for the minister to answer this, but I wonder whether he can give the committee any information as to how often developments in this field have been held up, not because of the lack of a federal contribution but because the provinces themselves are not financially in a position to take advantage of the agreement.

Mr. Starr: The information I have received is that we do not know, nor can we state, why certain provinces are not moving as rapidly in the direction of these schools as are other provinces. There may be various reasons. They may want to allot their funds to a different type of school in which we do not participate. However, most provinces with which we have agreements have been moving very well in this direction, and have been taking up in full the allotments that have been set aside for them.

Mr. Pearson: Perhaps the minister would agree that it is often the poorer provinces, where the need is greatest, which have difficulty in carrying out the agreement.

Mr. Starr: That may be possible.

Mr. Robichaud: I should like to add a word before this item passes. I should like to emphasize once again the importance of this item to the economic growth of this country. The government should recognize that it is responsible for employment and should, therefore, make special representations to the provinces inviting them to take advantage of this offer in connection with vocational training. Under this program, as has been suggested, schools should be built to provide this vocational training. In too many cases the youth of this country leave the primary schools unprepared for anything but unskilled labour.

I am sure the minister would agree that if vocational training were given it would be needless for the Minister of Citizenship and Immigration to advertise in the Belfast newspapers for skilled workers to come to this country. I am pleased to note that the unemployment insurance commission has been cooperating in this program.

Before resuming my seat I should like to put on record a paragraph from page 14 of

the unemployment insurance commission report for the year ending March 31, 1959, which reads as follows:

> Direction to vocational training—Direction of individuals to vocational training courses under various dominion-provincial agreements and to courses in training centres approved by the commission resulted in many people receiving training in occupations where demand for workers had exceeded the supply. During the year, a total of 4,510 claimants received unemployment insurance benefit while attending vocational training courses. This was more than double the number of claimants directed to training during the previous year.

My reason for placing this paragraph on record is to show that less than 1 per cent of the unemployed in this country are taking advantage of this opportunity to attend vocational schools. I think they should be induced to take advantage of this training. This would be one way for the Department of Labour to help in solving our unemployment problem.

Mr. Hellyer: The case for vocational training has been very well put this afternoon by a number of hon. members, particularly the hon. member for Humber-St. George's, who I thought spoke eloquently and beautifully on a serious and far-reaching problem and offered a solution which was constructive and which should commend itself to all hon. members of this committee.

I appreciate and commend the government for its new move to increase the federal participation in the joint training plan with the provinces with respect to technical training. However, I do not believe they have gone far enough. I think this is a half measure, and will not meet the problem that at present faces us. In any of these problems the most important thing to do is to face their magnitude. This is something the government has failed to do. This fact was patent both from listening to and reading the debates of the last two days. Unemployment in this country has reached the level of hundreds of thousands of people, not just a few thousand. Among these hundreds of thousands of people, particularly in the case of the male unemployed population, the level of education is unfortunately not great. I have not the actual statistics here with me; I wish I had. However, I was interested to note that the large majority of the male unemployed had a grade 8 education or less.

Here is a tremendous opportunity. Here is something which must be done. However, the government is not going to accomplish it by offering a partial payment to provinces which are going to take up the challenge. The provinces were here in Ottawa this week looking for extra financial assistance. They are already overburdened and overpressed. Unemployment may have been considered at one time to be a provincial problem, but it is no longer that. It is a federal problem. The federal government has in fact, taken over, the main and primary responsibility for unemployment in this country, and the problem of technical training is directly and inseparably connected with the problem of unemployment. In this labour force there are hundreds of thousands of people who need additional technical training, people who need either new skills if they have been displaced by automation or a skill in cases where they have never been fortunate enough to receive adequate training in the first place. There is a tremendous opportunity for an investment along the lines suggested by the hon. member for Kootenay West last night when he was suggesting investments which are self-recovering, or which put back into the national economy more than they take out.

In discussing this matter on previous occasions I have said that it is a problem of considerable magnitude which must be faced on the basis of that magnitude. The expenditure involved in order to meet this problem might, by the time it became fully in force, amount to $100 million or $200 million a year. It is that order of magnitude which is required, not an expenditure of $8 million a year in participating with the provincial governments. Nor can we expect the provincial governments to raise the extra money required so that through this joint operation the job may be done effectively. This job will be done effectively only when the federal government accepts the responsibility and pays the whole shot. There is no way around it. Under the present distribution of responsibility and taxing authority as between the levels of government, there is no other way in which the challenge can be faced. I therefore urge the minister to take another look at the problem, to re-assess it, to consider the magnitude, and to come back to the House of Commons with a recommendation which is worthy of the minister and worthy of the problem he faces. I can assure him that he will get a sympathetic reception from all parts of this chamber.

Vocational training is an investment which would return much to the Canadian economy. It is an investment which would return just as much as the program which was put into effect after world war II, when thousands of young people like myself had the advantage of higher education at the expense of the government. That program was part of a rehabilitation process, and that is what is required now, namely rehabilitation of people who are unemployed through no fault of their own.

Startling was the revelation recently that only one person out of ten in our unemployed

labour force has the skills necessary to accept the jobs offered. Statistically, what could be more startling? What could be more revealing in respect of the nature of the problem? The other nine people required more training before they can accept the jobs that are presently available in our national economy. We recommend that something appropriate be done about this matter.

As the hon. member for Bonavista-Twillingate has said on numerous occasions, it does not make sense that people drawing unemployment insurance should not be able to take advantage of the technical training at the same time. It is far better that these people should go to school in the wintertime and learn something which will enable them, once they return to the labour force, to be more productive, more happily and more usefully occupied.

This is a program that does not need long consideration. It does not need an advisory council. All it needs is a government with the courage and imagination to put it into effect. We hope the minister will give it the necessary consideration, will recommend it to his colleagues, and will have them recommend it to the House of Commons.

The Acting Chairman (Mr. McCleave): Order. It seems to me that it is the wish of the committee, as I interpret it, to consider both items 170 and 171 together. They are the items dealing with vocational training, the first under the head of administration and the second with the way in which vocational training operates. If that is the wish of the committee it will facilitate the debate. Do I understand that is agreed?

Some hon. Members: Agreed.

Mr. Brunsden: Had opportunity offered last evening for me to participate in this debate, Mr. Chairman, I would have immediately said that I was happy that no representatives of the unemployed were in the gallery. We heard raucous laughter. We heard a lighthearted approach to a serious problem, and I felt at eleven o'clock that we had made no contribution to it. Today I feel that there has been an approach, a contribution and a soul searching with respect to the fundamental problem of unemployment, and today I wish the unemployed representatives were here.

Of all the cabinet posts in the government, in my opinion the most unenviable one is that of the Minister of Labour. Speaking not as a member of the government but as a member of the House of Commons I should like to say I am deeply convinced that our present Minister of Labour is doing a most conscientious and thorough job with respect to the most difficult problem in Canada. Let me say to him, Mr. Chairman, through you that I am not too greatly swayed by statistics, particularly the Martin bureau of statistics.

There are thousands of statistics with respect to unemployment. One speaks in his own environment and from his own experience. I live in a small town of approximately 3,000 people. I know that each month certain of our elder citizens become incapacitated. They retire, and they have an arrangement whereby they may enjoy unemployment insurance for a year or 18 months. They say it is by right; I am not so sure that it is. Nevertheless they are in the picture of the unemployment insurance situation in Canada. There are many younger people, and those of us who perforce must live in Ottawa over a period must hear them talking. They work for so long and then they say they can enjoy their unemployment insurance now.

The Acting Chairman (Mr. McCleave): Order. Are the remarks of the hon. member dealing with unemployment insurance exclusively? The committee is considering vocational training.

Mr. Brunsden: I will bow to your decision, Mr. Chairman. These are the young people who I wish would enjoy vocational training. These are the young people I wish would be encouraged to enjoy vocational training. These are the young people who by virtue of vocational training tomorrow will make better Canadians.

The Acting Chairman (Mr. McCleave): Shall items 170 and 171 carry?

Items agreed to.

Government employees compensation—
172. Administration of the Government Employees Compensation Act, $112,170.

Mr. Winch: Mr. Chairman, I would like to raise a question on this item, which is for the administration of the Government Employees Compensation Act in the amount of $112,170, followed by a statutory item with regard to payments of compensation respecting government employees in the amount of $1,900,000, making a total vote of $2,012,107.

I would like to make a brief comment befor asking a question as to how it affects workmen's compensation for government employees. As we all know, workmen's compensation comes completely within the jurisdiction and administration of the provinces. I can only speak for my own province of British Columbia, under which I have quite an understanding of compensation.

I believe it was back somewhere around 1917 that workmen's compensation first became law in British Columbia. At that time the chairman of the board was a man who had been an outstanding citizen, Mr. E. S. H.

Wynn, who held his position for many years. But in those days of the administration of workmen's compensation there was that section which said that in deciding workmen's compensation or workmen's compensation pensions the benefit of the doubt went to the applicant. Unfortunately E. S. H. Wynn is no longer chairman, and under the new government of British Columbia it is now almost impossible to get the benefit of the doubt or to make an appeal in a workmen's compensation case. I am very sorry to have to say that, but that is my estimation and my understanding.

Now, why do I raise this matter here on this vote, which is a federal matter? It is because over the last year or two I have received a number of letters from those who are covered by provincial workmen's compensation but in whose cases the money is being paid by the federal government. Federal employees, at least as far as those in British Columbia are concerned, are finding that the benefit of the doubt no longer exists. It is almost impossible for anyone, either a member of parliament or a member of the legislative assembly or anybody else, to get a review on a question of the benefit of the doubt, or to get any results at all.

In view of that disgraceful situation which exists in British Columbia because of the kind of government in the province today, and in view of the fact that it now costs this government in administration and payments over $2 million, I would ask the minister to help and protect federal employees who come under provincial workmen's compensation. I would ask him whether he has in his department what I might call a workmen's compensation advocate who is responsible for payments to provincial authorities on claims for workmen's compensation or claims for pensions, and at the same time whether he has a medical adviser in his department. As far as I am concerned I would be glad to support the appointment of a compensation advocate to take up the cases of unfortunate employees of the federal civil service who may have trouble in getting satisfaction from provincial governments and are not obtaining the benefit of the doubt, which I think is an important point of law.

Mr. Starr: We have no advocate in the department at the moment, nor have we as such a position for a medical adviser. But we do avail ourselves in many cases of the medical advisers in the Department of National Health and Welfare if medical advice is necessary. Also, where an appeal has been made to us and we feel there is some ground for it, we bring it to the attention of the provincial compensation board on behalf of a federal employee and ask for a review of the particular case.

Mr. Winch: If the minister's experience is the same as mine as far as the present government and the board in British Columbia are concerned, he has not got anywhere on a single case. So a reference to the provincial government of British Columbia is useless. Is consideration being given to including in this department an advocate and a medical officer? If not, do all federal employees know that if they cannot get what they think is just from a provincial workmen's compensation board there is a means to appeal for help to the minister's department? Is that known to all federal employees; because I am getting many letters on this matter?

Mr. Starr: Yes, they are well aware of that, and if they approach us, as has been the case in the past, we ask for a review by the provincial board.

Mr. Martin (Timmins): Mr. Chairman, before making these few remarks the minister might save my making them at all. Am I right in saying that this item would cover the compensation of the employees of the giant Yellowknife gold mine in the Northwest Territories?

Mr. Starr: No.

Mr. Martin (Timmins): Then could the minister tell me whether they come under federal jurisdiction?

Mr. Starr: They are under the Northwest Territories ordinance. They have their own provisions.

Mr. Martin (Timmins): Well, I did not know how this question could be raised in any other way. If I am out of order, Mr. Chairman, I will at once accept your ruling, but I think this is a matter of major importance and I think it should be raised on the floor of the house.

Mr. Starr: May I interrupt the hon. member and say it should properly be raised on the estimates of the Department of Northern Affairs, because it comes under the jurisdiction of the commissioner of the Northwest Territories.

Mr. Martin (Timmins): Am I at liberty to proceed, Mr. Chairman?

The Acting Chairman (Mr. McCleave): If the hon. member relates his remarks to the subject of employees' compensation he will be in order.

Mr. Martin (Timmins): That leaves me in an awkward position, Mr. Chairman, because I had been intending to raise this matter on

these estimates. It has to do with the position of employees of gold mines, and I was under the impression that this matter came under federal jurisdiction. It has to do with what is called compulsory aluminum dust therapy, which I understand is practised in all the gold quartz mines in Canada, which would include those under federal jurisdiction in the Northwest Territories. This is a matter of importance because of the experience we have had in the Porcupine gold mine area, and I am sure the same applies elsewhere though possibly not to the same degree because there are not the same numbers involved.

This aluminum dust treatment was brought about by the McIntyre foundation—I am not sure of the name—as a cure or means of prevention of the scourge of gold miners, namely silicosis. From the point of view of company compensation costs it may have worked successfully, because certainly the incidence of silicosis has dropped sharply since the introduction of this therapy. But since this treatment began the incidence of tuberculosis in the gold mining areas has increased threefold, and the incidence of carcinoma, which is a fancy word for lung cancer, has increased at a terrific rate and there are fears among the people involved in the mining industry as to whether there may be some connection between the increase in these dangerous diseases and the treatment they have been receiving.

Some work has been done in this connection, and from this work and study we find that the medical association of Germany has banned the use of this aluminum dust on human beings. The British medical association has said in regard to this particular treatment that it is at present in the stage where experiments could possibly be conducted on animals but not on human beings. Last, but not least, the United States medical association has said that the McIntyre foundation, which manufactures and sells this aluminum dust to all the gold mines across the country, is not qualified even to experiment in this field. Yet to my knowledge all the gold miners in the industry are forced to take this treatment whether they want to or not; the dust is blown ino the rooms when they change their clothes before starting a shift and when they come off shift. The treatment is forcibly applied to them, and they have no choice whether to refuse it or not.

The results of the treatment in its present state have not been proven one way or the other. I feel that if miners want to take this treatment voluntarily then possibly they should be able to do so, but I think it is wrong that the federal government should be implicated in any way, especially as medical associations in the United States, Britain and Germany are not agreed that it is of benefit to the workers. In fact the evidence we have at the present time is that the contrary is true.

I feel that the federal government has the responsibility of seeing that a stop is put to this compulsory treatment of miners, at least until such time as we have some assurance from medical authorities that it is in the interest of the employees and not just a means of curing a problem as far as the companies are concerned by eliminating silicosis, while replacing it with tuberculosis and lung cancer which are not subject to compensation. I think this is a terrible thing, and I believe the federal government should ensure that they are not in any way responsible for the continuation of this practice that we see across this country.

The Acting Chairman (Mr. McCleave): The Chair was never told whether the federal government did have an administrative responsibility for this question, and I think perhaps justice has been done to the hon. member who wished to make these remarks. Perhaps he should have chosen another occasion. I hope the committee will bear with me, and that hon. members will not extend the subject to all mines in Canada. Shall the item carry?

Item agreed to.

The Acting Chairman (Mr. McCleave): The next item is item 173, then item 174—

Mr. Starr: There is a supplementary item No. 527, under the heading "Special Services", to extend to May 31, 1960 the period in respect to the application of the municipal works incentive program.

Special services—

527. To extend to the 31st day of May, 1960, the period in respect of which payments may be made to a province and in respect of Indian bands under the municipal winter works incentive program as contemplated by vote 615 of the Appropriation Act No. 1, 1960, $1.

Mr. Martin (Essex East): May I ask the minister, on this item, if he can tell us what are the estimates of the cost for the fiscal year 1959-60, that is the additional cost of the program as announced by the Prime Minister a week ago today?

Mr. Starr: Approximately $12,250,000.

Mr. Martin (Essex East): Is that the estimated contribution of the federal government?

Mr. Starr: That is right.

Mr. Martin (Essex East): What has been the cost to date of the winter works program as far as the federal government's contribution is concerned?

Mr. Starr: That is the amount of the federal contribution to the payroll costs of all the projects that have been submitted to us and approved to date. We have not yet received all the accounts from the provinces.

Mr. Martin (Essex East): I think the minister misunderstood my first question. My first question was, what is the estimated cost of the addition to the program announced by the Prime Minister a week ago today?

Mr. Starr: I explained that earlier in answer to a similar question. I explained that we have just sent out the letters to the provinces announcing this extended program. It is very hard to assess now what programs the municipalities will undertake in connection with this extension.

Mr. Martin (Essex East): Surely an estimate has been made by the treasury. In any event, would I be correct in saying it would not be more than $3 million?

Mr. Starr: What is contemplated now is a supplementary estimate somewhere in the neighbourhood of $25 million.

Mr. Martin (Essex East): That would cover the whole project in so far as the federal contribution is concerned?

Mr. Starr: That is the federal contribution to the payroll costs of what may be undertaken next winter.

Mr. Martin (Essex East): The total cost of the winter works program for the fiscal year 1960-61 will be $25 million. Is that right?

Mr. Starr: No, just the federal government's share.

Mr. Martin (Essex East): Yes; that is what I am talking about. My question was this. What is the estimated cost of the program covered by the refinements and modifications announced by the Prime Minister a week ago today?

Mr. Starr: We had an estimate of $15 million for the past winter. Probably we will be increasing this estimate by $10 million, to $25 million.

Mr. Martin (Essex East): Did I understand the minister to say that the increase in the federal share resulting from the improvements and modifications comes to an estimated $10 million?

Mr. Starr: Yes, that is as close an estimate as we can make. Of course if the municipalities undertake projects under the expanded program that will necessitate more than $25 million on behalf of the federal government, we will have to come back to parliament and ask for a further supplementary vote.

79951-0—462

Mr. Martin (Essex East): Was the figure of $12 million which the minister gave me a few moments ago the cost of the program to date for the fiscal year 1959-60?

Mr. Starr: Yes, that is the estimate so far.

Mr. Martin (Essex East): Can my hon. friend tell me what is the total estimated cost of the winter works program by all levels of government?

Mr. Starr: Seventy four million dollars.

Mr. Martin (Essex East): So that out of $74 million the federal contribution was $12 million?

Mr. Starr: Those are the earlier estimates.

Mr. Martin (Essex East): There is no doubt that that is the situation; an estimated $12 million out of approximately $74 million is the federal contribution?

Mr. Starr: Those are the estimated figures, yes.

Item agreed to.

The Acting Chairman (Mr. McCleave): The final three items of this department are Nos. 173, 174 and 528, supplementary. They all deal with the unemployment insurance commission. Is it agreeable to the committee that all three be taken together?

Some hon. Members: Agreed.

Unemployment Insurance Commission—

173. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the act, $36,136,000.

174. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $37,500.

528. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council—further amount required, $237,500.

Mr. Speakman: I, like the hon. member for Okanagan-Revelstoke, am rather hesitant to intrude on the time of the front benches of the opposition, but there are a couple of suggestions I should like to bring to the attention of the minister and the committee under this item.

I wish first to make an appeal to the minister and through the minister to the government for the inclusion of farm labour under the Unemployment Insurance Act, so these people may draw unemployment insurance benefits when they are out of work. At the

present time there are many thousands of labourers required on farms in Canada, and particularly in western Canada. This requirement will increase in the next three or four months by a very large amount, and people will not be available to fill the requirement. I suggest that the principal reason for this will be that these people will not take employment on the farms because they cannot get unemployment insurance stamps in their books.

A good many years ago the agricultural industry, particularly in western Canada, was able to fill its requirements for additional labour by young people drawn from other parts of Canada, and I think particularly from the maritime provinces, Ontario and Quebec. This was a very fine arrangement for western Canada, because we have in that area today many of those young people who came west 25, 30 and 35 years ago, liked what they saw, established themselves and are now some of our finest farmers. This is a practice which has ceased almost completely since the harvest excursions which took place in those years were discontinued.

To many of us, and particularly those in this committee who represent agricultural constituencies in the west, one of the most serious problems we have is the lessening of our farm population and, with the decrease in the population, the disappearance of what we commonly know as the family farm. In this debate a great deal has been said about self-employment and family help. This is very important not only to western Canada but to the economy as a whole, because it provides a good deal of employment. I am sure much is going to be said on these items with regard to unemployment and the numbers of unemployed. If the appeal I make to the minister and the government to make available to farm labour the benefits of unemployment insurance were acted upon, it would do very much over the next four months to decrease the number of unemployed in Canada.

In conclusion I suggest to the Minister of Labour that he give very serious consideration to my next recommendation. I suggest to the minister that the national employment service prepare a weekly list of job openings to be sent out to rural and small urban post offices so the people in those areas who are without work will know of employment vacancies which are available and can make application. This is not done at present because these people draw their unemployment insurance benefits by mail on a semi-monthly basis. They do not have an opportunity to learn about these employment opportunities. By the provision of these lists and their posting in the local post offices it would give our people in the rural and small urban areas an opportunity to make application for such employment as is available.

[Mr. Speakman.]

Mr. Herridge: The front benchers of the opposition are delighted to have the backbenchers of the government intrude on our time to support policies with respect to the inclusion of agricultural labour under the Unemployment Insurance Act, which we in the opposition have urged for a number of years; so there is no need to apologize for participating in this debate, as we are delighted to receive their support in this connection.

Before coming to the core of my remarks, which the press gallery will probably consider parochial, let me say this is a serious thing. In association with other hon. members I have brought it to the attention of the government over the years. Farmers suffer a disability because when they seek help the workers want to make sure they will retain unemployment insurance stamps in the event they become unemployed. I have had this experience when on occasion I have had to hire a man for three or four hours. On this account opportunities for casual employment with farmers are lost. In association with the previous speaker I urge the government to give consideration to the representations made on the subject by many organizations, and particularly the Canadian Federation of Agriculture, the federation of agriculture of British Columbia and the British Columbia fruit growers' association.

I do want to take this opportunity to express my appreciation of the good work undertaken by the regional staffs of the unemployment insurance commission and the employment service in Nelson and Trail. It is not easy to fill positions under these circumstances; it requires a great deal of patience, and owing to human impatience and human weakness on occasion, and sometimes human discourtesy, arising largely out of misunderstanding of the act or the regulations, very often we meet someone who really thinks the officers administering those acts in the local offices are trying to do them out of something, without realizing that the responsibility of the officer is to administer the law and the regulations. On that account I want to express my appreciation, and the appreciation of the labour organizations in the district, of the work that has been done throughout the years by the officers and staff of the Nelson and Trail regional offices of the employment service of Canada and the unemployment insurance commission.

I want to make a couple of other points. I do urge that every opportunity be given

the regional officers to visit the smaller communities. They have had more opportunity in recent years, but I know it is very difficult for them to get away on occasion because their work is centred in those two larger centres in the constituency I have the honour to represent. But I think it would be to the advantage of the administration and of the employers and employees concerned if these regional officers had an opportunity to visit the smaller communities periodically. I believe in these personal visits, they give them the opportunity to get closer personal contact with the employers, employees and members of the representative organizations in the small communities upon whom they depend to quite an extent for the efficient working of the act at some distance from the larger centre. I also suggest that they be given this opportunity in the winter months particularly when we, owing to weather conditions, sometimes get large numbers of men laid off rather quickly because of the depth of snow and climatic conditions which occur at 3,000 feet.

There is one other point on which I should like to touch. Once again I want to protest against two government agencies being responsible for employment placement; first the employment service and, second the immigration service. I think the national employment service should be the sole agency responsible for the placement of individuals in employment. Because of the way it is done under present conditions it causes considerable ill feeling and unnecessary ill will, and in my opinion it is most unfair. Therefore in conclusion I do urge the minister to use his good offices as a member of the cabinet to point out the weakness of the present system and try to get the government to accept the policy of having one agency, the national employment service, to find employment for persons whether they are Canadian citizens, residents, or immigrants.

Mr. Martin (Essex East): Mr. Chairman, before making some comments on this item I wish to thank you for your suggestion that we might discuss items 173 and 174 together. May I say I am very pleased indeed to see you sitting in the chair at the moment, and as we come to the end of the session I recognize that you have been diverted to other important matters during the course of the session which have not gone unnoticed by hon. members.

I too, like the hon. member who has just taken his seat, am very happy that the hon. member for Wetaskiwin, who is momentarily out of the chamber, chose to participate in this debate. When the hon. member for Okanagan-Revelstoke spoke about an hour ago I expressed not only my pleasure in his participation but in his contribution. Those of us in the opposition who have the responsibility of scrutinizing government policy welcome whatever help we can get from hon. members who sit behind the ministry, particularly when their observations are of an objective kind, in keeping with the high standards of objective scrutiny which we in the Liberal party endeavour to maintain toward these important matters.

I also join with the hon. member who has just taken his seat in paying tribute to the personnel in the unemployment insurance commission, the commission itself, the officers in Ottawa and those in the various offices in the country. I should like in a special way to pay tribute to the personnel of the unemployment insurance commission offices in my own city of Windsor, who have been faced with a very heavy responsibility arising out of the high level of unemployment that has prevailed there during the past three years. I am sure that the citizens of Windsor generally are grateful and would want me to say to the minister that there is much appreciation by industry, by the unions and by the citizens generally of the devotion to service of the personnel in the Windsor office.

The manager of the Windsor office, Mr. John Sharrer, is to retire some time within the course of the next four or five months, I understand. I do not know the exact time, but I understand that his retirement is imminent. I should like to say that Mr. Sharrer has been a devoted public servant. He has sought to inform the public of his responsibilities, of the terms of the Unemployment Insurance Act, and he has contributed in no small measure to whatever alleviation of the problem of unemployment was at his disposal.

I am happy to say this, because when he was appointed I felt that the direction of that office should go to someone who resided in the city of Windsor. Of course the appointment was not at the disposal of the government of the day; it was a matter that rested as the minister knows, with the civil service commission. But I felt that where possible the procedures of the civil service commission ought to recognize local talent. Nevertheless, the fact is that this gentleman has performed a notable service, I want to pay him this inadequate but well deserved tribute.

The unemployment insurance administration has to do not only with the granting of benefits to those who have legal entitlement, but with the administration of a very large operation. It is the custodian of large sums of money, contributed to mainly by the two principal contributors, the employees and the employers, with the federal government contributing a much smaller amount. When one

considers the criticism that was levelled at the unemployment insurance scheme, when first established, one wonders whether criticisms that are directed toward social legislation take into account the actual achievements of such measures when they are put to full use. In this period of high unemployment, where would we be but for the unemployment insurance act and the unemployment insurance fund? I am sure it is the concern of all of us that the fund be maintained in such proportions as to always be able to provide the contractual benefits which exist as a result of the arrangements made among the beneficiaries, the contributors and the state.

The concern that is now in my mind is that if the prognostications concerning unemployment in the ensuing period are valid, the fund is going to be tested in the next 12 months as it has not been tested since the act first came into being in 1941. The government, I am sure, has been giving consideration to this matter. The government, I am sure, has been giving consideration to the definite possibility, that it will be called on to replenish the fund. Notwithstanding the fact that last year it increased the contributions of the employers and employees, the revenue was estimated to be in the neighbourhood of $75 million to $78 million, although I understand the actual revenues were not as great as anticipated. If I am wrong in that connection the minister will possibly indicate the extent of the inaccuracy. These increases in contributions were imposed without changing the basic pattern of benefits. In spite of the increases in revenues, the fund continues to be in a precarious state.

The Minister of Labour was asked by the hon. member for Gloucester, early this session, what amount was to the credit of the unemployment insurance fund on June 30, 1957, 1958, 1959 and 1960. The minister replied to this question on July 27 last. He indicated in that reply that as of June 30, 1957, the fund stood at $852,729,261.78; as of June 30, 1958, at $644,520,634.54; as of June 30, 1959, $434,152,690.64; as of June 30, 1960, $296,187,477.10. I direct the attention of the committee to the drop from 1957 to the present time. The present level of the fund, on the basis of this return, which I believe is not the final word in the matter, nevertheless reflects the seriousness of the state of the fund at the present time. Unless the government can show a greater potential revenue than we have thus far had in the experience of the fund's operation, if we have a comparable level of unemployment there will not be enough money in the fund to provide the benefits acquired by right by those who, being out of work, require this particular form of assistance in order to provide for themselves and their families.

This is, of course, a serious matter, but I do not believe the problem can be allowed to rest at the figure given for June 30, 1960. I have in my hand the unemployment insurance commission report for the fiscal year ending March 31, 1959, the last available report. I direct the committee's attention to page 25, where under the title "Claims", the report presents the following:

> The increase in the volume of initial claims which commenced towards the end of 1957—

The words "end of 1957", should be underlined.

> —continued until October 1958, resulting in a record number of initial claims being filed.

Then on page 31 of the report, in the second complete paragraph under the title "Unemployment Insurance Fund", we find this:

> Benefit payments during 1958-59 amounted to $478,631,077.67. Revenue from all sources amounted to $234,242,110.31.

I jump over the next sentence, which is not relevant to my point, and I quote:

> The excess of benefit payments over revenue was $244,388,967.36. This left a balance in the fund at the end of the fiscal year of $499,811,157.51. Benefit payments exceeded revenue in all months except August, September and October.

Now, Mr. Chairman, this cannot and must not be allowed to escape our attention. On April 23 last, the Minister of Labour—his words will be found at page 3009 of *Hansard*—told us the unemployment insurance fund had incurred a financial loss of more than $10 million during the fiscal year 1958-59 as a result of the sale by the commission, under the authority of the investment committee, of government bonds. The committee, of course, will recall that under the act, the investment committee is made up of the governor of the Bank of Canada and the deputy ministers of finance and labour. We know that during the fiscal year 1959-60 and the first two months of this year, another $10 million was lost by the fund, as a result of the sale of government bonds. These two losses in these two different fiscal years were actual losses. I am not now talking, although I will, about the unrealized or book losses.

In any event, these two actual losses represent very impressive amounts, particularly when we take into account the nature of the fund, a fund made up, as I said, of contributions from employees and employers each amounting to more than 80 per cent of the fund, while the contribution of the state is less than 20 per cent of the fund. We refer to this fund not as a government account. It should be regarded for what it is, a trust

account. We should remember that the amount of cash in the fund or the amount of securities in the fund belongs not to the state, but to the workers, to industry, and only a very small part to the government, representing the taxpayers of Canada.

Of the $20 million which was lost as a result of the sale of government bonds and securities during the last two years, more than $16 million was owned by the workers and industry and less than $4 million came from the state. If the loss of $20 million incurred by the fund during the last two years had been due to unmanageable factors, there would be no justification for criticizing the investment policy of the fund. However, I contend that the $20 million loss could and should have been avoided, if there had been the kind of management of that fund which I believe in the case of a trust fund must exist, because of the high obligation imposed on trustees of resources which belong to those who have no manageable control in the fund itself.

Until the end of 1957 there was no real incompatibility between the responsibilities of members of the investment committee and their responsibilities as officers serving the government of Canada in other capacities. However, since that time the large deficit resulting from the actions of the government in the field of fiscal policy has shown there is now a real and important difference between the policies which ought to be followed with respect to the investments of the unemployment insurance fund and the course of action which the government believes it should follow in the management of the public debt. The heavy unemployment during the fiscal year 1958-59 caused a severe drain on the unemployment insurance fund, as is indicated by the figures in the reply given to the hon. member for Gloucester.

An hon. Member: How much?

Mr. Martin (Essex East): In 1957 the fund was $852 million in round figures, and on June 30, 1960, some $296 million. As I say, that figure of $296 million is not the last figure, if you take into account the actual losses I have mentioned and the book losses to which I will make reference later. Having in mind the necessity for maintaining the liquidity of this fund in the face of the unemployment problem, I believe these losses could and should have been avoided, particularly if the fund had been maintained in a more liquid state, something which I say was desirable having in mind the heavy drain on the fund itself. There can be no doubt, as subsequent events have revealed, of the necessity of maintaining the liquidity of the fund. Hence the trustees of the fund in 1958 should have sold government securities at every profitable opportunity in order to increase its cash holdings.

This means also that, to the extent that the fund decided to purchase government securities, it should have bought three-month treasury bills, short term government bonds or other securities maturing at an early date. However, during this period the aims sought by the government in the field of debt management were the very opposite of the financial requirements of the unemployment insurance fund itself. Indeed, we know that the government was trying to meet its huge cash requirements by selling as many bonds as possible to the public. The government also attempted, through the conversion loan, to lengthen the term of public holdings of its bonds. In other words the avowed purpose of the government was to reduce the liquidity position of the public, while the basic requirement of the unemployment insurance fund was to increase its liquidity as much as possible. There was therefore a sharp conflict of interest between the fund and the government.

The basis of my criticism is that the investment transactions of the fund were not, during that period, in my judgment conducted in the interests of the fund, but were determined exclusively by the requirements of the government, and as a result the fund lost $20 million. I am not alone in this view. I have before me a view expressed by Mr. A. H. Cameron in a speech he made on June 9, 1960 in the city of Kingston. I wish to quote his words. I regret I do not have the newspaper which reported him, but I can get it after I have finished. He said this:

> In the first quarter of 1959, U.I.C. sold $129 millions, including $30 millions conversion 1972's, and $45 millions other longs, realizing large losses, until a government loan postponed further selling. The story is similar this year. This liquidation reflects U.I.C.'s prior aid to debt management. Facing a winter of obvious unemployment, (after a large early 1958 bond liquidation) U.I.C. converted all its Victory bonds, even its reputed $89 millions 1959 and 1960 maturities—buying no bills until October, 1958. These short Victories would have helped in meeting claims—without large losses.
>
> Mr. Coyne later told a commons committee that U.I.C. could not have sold its $308 million Victories during the conversion— . . . "It was too large for the market to take. It would have ruined the market . . ." One might ask, "What market?" since over 2,000 larger bond accounts could deal in Victories with only one dealer officially representing the Bank of Canada or Loan Committee. The only real market was in Bank of Canada. This implies the bank denied to U.I.C. the cash prices it offered the public, the banks and others.
>
> The conflict of interest—U.I.C.'s needs versus debt management, (not apparent while the fund grew or government ran cash surpluses), was created by parliament placing bank and finance officials on the U.I.C. committee. Government widened the benefits in 1958 so that the fund entered 1959 with increased outgo, shorn of its more liquid Victories

by the loan. Had an independent trustee forced $300 millions in Victories on Bank of Canada for cash, he would have faced a reinvestment problem, but U.I.C. had as much right as chartered banks of Canada's short paper—or even specially created government short paper. Had this happened, 1959's sales would have pressured the short market, not the long, for the converted Victories would have been in Bank of Canada.

Then he concludes as follows:

Subordinating U.I.C.'s liquidity needs to debt management, was of transient benefit, for many long term bonds soon were sold—at a loss to U.I.C. Debt management problems during the loan would have been greater if U.I.C.'s interests had prevailed. Yet the U.I.C. committee would have been spurning the loan conceived in their other capacities. I pray that parliament will never again place public servants in such an impossible dilemma. The stopgap aid to debt management is not worth the result.

In view of the criticisms we levelled last session on this point, it seems to me that the government must take full responsibility for the actual loss of $20 million, as a consequence of the conversion loan and of the government's debt management policy. But this is not the whole situation. The par value of the bonds left in the fund was estimated recently at about $296 million. This compares with more than $900 million at the end of 1956 and, in view of the present unemployment outlook, represents a dangerously low level.

However, the real value of those bonds, if they had to be sold at present, is much lower than the amount of $296 million. The price of the conversion bonds held by the fund is comparatively low, and if those bonds had to be liquidated it is not likely that the proceeds would exceed $250 million. Who in this committee, in the face of the prognostications of unemployment, even assuming it does not rise to a level higher than the period through which we are now traversing, will deny that that is a very serious situation? With the amount of $250 million in the fund will we see the depletion of the fund. We should have from the Minister of Labour, and from the Minister of Finance if necessary, a statement as to what the government proposes to do before we finally pass these items. It could very well be that at the end of 1961 nothing will be left in the fund which on June 30, 1957, stood at over $852 million.

Is it the intention of the government to do nothing until the fund has been depleted? Will the government reimburse the $20 million lost by the fund as a result of the mismanagement of that fund? What steps does the government intend to take to replenish the fund? Although the minister denied, correcting himself the next day, that the fund had borrowed money from the government this year, the government did through the Minister of Finance loan to the fund some moneys in the months of April and May of this year. I think the general totals of those loans are not too far different from the total loss of the fund to which I have directed the committee's attention.

Now, Mr. Chairman, last night I indicated what were the realized losses of the fund, what the realized losses were for the fiscal year prior to this one, and what the book losses were a year ago. This year the book losses are something in the neighbourhood of $42 million as compared with a book loss in the previous fiscal year of some $60 million. So the market value of the fund now, less advances, is not much more than $260 million, and not the $296 million reported by the Minister of Labour on July 22, 1960.

In spite of the recent improvement in the bond market the fund at the end of June showed a book loss, as I said a moment ago, of $42 million. There are no securities now left in the fund which nature before 1968. That will be found by examining the unemployment insurance securities portfolio. Unless there is a further sharp improvement in the bond market, or unless the government makes a substantial contribution to restore the cash position of the fund, a serious loss on bond sales will be sustained next winter, when the seasonal drain on the fund begins.

Apart altogether from that, no one can deny that the fund is in a precarious state. We have the right on this estimate, in fact a duty, to ask the Minister of Labour for his comments, and to ask him to indicate what the government proposes to do to put the fund in such a state that if it is called upon to provide assistance to the unemployed in the next ensuing period, there will be no difficulty in doing so.

Mr. Macdonnell: Mr. Chairman, I am very happy to have the opportunity of following the hon. member for Essex East, because I had intended to deal very largely with the subject he has just dealt with, and to do so completely on its merits and not, I hope, be led away by political considerations. But one never knows. Certainly the ex-minister had a fine time to himself, indulging in that delightful practice of wisdom after the event. I have seldom heard more wisdom after the event in such a short time, particularly with regard to securities.

Mr. Chairman, when I was in business I had some experience in the field of securities, so I can well realize how the hon. member was enjoying himself by indulging, with his uninhibited joy, in wisdom after the event. All I can say on that matter is that as much as I respect the hon. member and his judgment in many ways, I would not consider him a great authority on the matter of securities. I would much rather trust the experienced and

skilled men who actually deal in these securities. But there was never anyone who dealt with securities, however skilled and prudent he was, who could not afterwards be shown with a little after the event wisdom to have made what looked like a mistake, and we have had a classic example of that this afternoon.

Having said that, I must say I quite agree with the hon. member for Essex East when he says that this fund is in danger, and it is because of that fact that I want to speak about it this afternoon. I want to raise a question which I believe goes to the very root of unemployment insurance. I want to point out that perhaps, without anyone ever intending it, over these last years we have almost I will not say inevitably but unconsciously and unintentionally slipped into the situation where the fund has become less and less an insurance fund and more and more a general welfare fund. Indeed, perhaps it is not going too far to say that there is a widespread disposition to regard it more and more as a kind of universal Santa Claus.

Let me say here that I do not want anything I say to be interpreted as criticizing harshly the people who have taken benefits from the fund which strictly speaking were not intended, because I intend to make the point that this change in attitude "growed like Topsy". People began to extend it, and then it was extended a little more and a little more. I will not go into a lot of detail because I believe every hon. member here today can illustrate for himself the various leniencies, extensions and stretchings out of this fund which has made it serve purposes for which it was never intended.

Let me say quickly, lest I forget later, that the reason this has come about is not wholly because of claimants on the fund, but is also due to the attitude of employers who have found it convenient for various reasons to make a kind of informal broadening out of the purposes of the fund. Whatever the reason is, I feel one should face the fact that the situation is serious and calls for action.

Of course another of the secrets of the hon. member for Essex East in his speech this afternoon is that the fund has been depleted in the last couple of years because we had unemployment. I must say I am awfully grateful to him him for that, because otherwise one might not have known. Of course it has been depleted because of unemployment, and we recognize that it has been depleted to some extent because of government action, and we are all responsible for that.

I do not propose to go into detail, but I hope this afternoon, as far as my voice will reach—of course it will not reach as far as Churchill's—to direct the attention of a few, or perhaps more than a few, to the fact that as I said a moment ago the fund has lost its character as an insurance fund. I am not going to attempt to apportion responsibility; what I am trying to do is create a feeling that something should be done, and that we should all share it. Money is being consumed for reasons which were never intended and, furthermore, this means that unemployment figures have been distorted and exaggerated, to what extent I am not going to attempt to estimate; but anyone who has thought about this will agree that it has led to the distortion of unemployment figures in a way which was never intended and in a way which has added a great deal to the difficulties of the Department of Labour and the unemployment insurance commission.

Imagine a situation such as this vis-à-vis the income tax department or the customs department. Unfortunately, with regard to insurance we have this situation, and I think it is best to understand what the situation is. When I and my neighbours on my street insure our houses we realize what we are doing; we are clubbing together so that if there is a fire, money is available to compensate the owner. We do not expect to get that money back. It is perfectly clear that when we contribute to such a fund we are not entitled to get our money back. Yet with regard to unemployment insurance there is this strong psychological feeling; "there is our money in that fund, and we are entitled to get it back". People who would not dream of expecting the return of money in other circumstances get a feeling that this is their money and that they are entitled to get it back. In the first place they overlook the fact that it is not their money; that in fact they have paid less than half of it, and more than half has been put up by the employers and the government.

While I am not prepared to say how much of that money goes out over and above what would go out if the fund were on a strictly insurance basis, the instances I have seen indicate a very substantial amount indeed. Some of the figures are staggering. And, as the hon. member for Essex East has pointed out, over the past three years there has been a depletion of some $600 million.

I want to say a word about the attitude of employers, because that is very important. The co-operation of employers is needed to enable this stretching out or broadening out process—I do not know exactly how to describe it—to be carried on. This does not happen in connection with income tax; employers give accurate figures there, but in connection with unemployment insurance, apparently prompted by a desire to be good

fellows and partly because in various ways it is very convenient to them to have the insurance fund come in and take over care of people who are rated as unemployed, they do assist, and assist in a way which is very surprising and which I do not think would happen if we could persuade them to look at this question in a realistic manner.

I believe that what has to be done—and I do not despair of it—is that people have to be given a new point of view toward this question. Of course I do not think people are going to become more conscientious tomorrow than they are today, and I have no doubt this will need to be accompanied by strict regulations. Nevertheless we cannot simply leave this up to the people in the unemployment insurance commission. Public opinion has to be behind this. As the hon. member for Essex East reminds us, this is not chicken feed that we are talking about; this is a very important matter.

I hope I have not appeared to be speaking in a pious tone, and I hope I have not given the impression that I regard myself as superior to other people. I do not, and I hope I have not given that impression. I wanted to bring up what I consider to be a serious situation and to suggest a rational solution. I imagine that those who were responsible for creating this fund years ago did not anticipate the development which has now arisen. They thought they were setting up an insurance fund and nothing else, and that is what it should have remained.

I agree entirely with the hon. member for Essex East that this thing is bound to come to a head and that it needs serious consideration and action. As I said, it has grown like Topsy. It is clear there is going to be a heavy unnecessary drain unless we do something about it, but I am bold enough to believe that the people of this country, even if they slipped inadvertently into a false situation, when they are convinced of it they will face up to what has happened. I believe this has been done to some extent at any rate by inadvertence.

Mr. Hellyer: It is not inadvertence. It is bad management.

Mr. Macdonnell: Oh, I am trying to be non-political for just a few moments.

Mr. Martin (Essex East): May I ask a question?

Mr. Macdonnell: I shall be finished in a minute or so, and I will try to answer questions then.

I believe that if we pull ourselves together —and I mean all of us, because this fast and loose attitude has been very widespread— something may yet be done to remedy the situation. I hope someone else may have something to say on this subject; I hope I am not the only one to say something which may be a little unpopular. I suppose the only sensible thing to do is to get back to the insurance basis, and I believe if this is properly put to the people of this country they will do it, because they are not without common sense.

Mr. Martin (Essex East): May I ask a question? It was suggested by the intervention of the hon. member for Trinity. The hon. gentleman disparages the argument of responsibility for this situation. He is an experienced businessman, having been a distinguished trust officer. Will he deny that from 1957 on there was a conflict of interest that justifies the charge of mismanagement?

Mr. Macdonnell: Yes, I would deny it. These were responsible people of character in charge of this fund—

Mr. Martin (Essex East): No one suggested they were not people of good character.

Mr. Macdonnell: I deny the conflict of interest entirely.

Mr. Robichaud: My remarks will be very brief. I have had occasion many times in this house to express my opinions concerning the status of the unemployment insurance fund. I referred to this situation when I spoke last night on the first item of the estimates of the Department of Labour.

The hon. gentleman who just resumed his seat has acknowledged that the fund is presently in danger, and I would say to him that it is not necessary to be an authority on securities in order to see that the fund is indeed in great danger. The hon. member went on to say that in its present condition this fund is less an insurance fund than a general welfare fund. When the unemployment insurance commission was created under a Liberal administration it was created to be an insurance fund, and it was maintained as such by the former administration.

Some hon. Members: No.

Mr. Robichaud: I hear an hon. member, greatly concerned, say "No, no". The unemployment insurance fund is a trust fund which has been established to protect the working class of this country, and it has been built up through the contributions of the workers, the employers and the general public.

The records show that the fund was in good condition under the previous administration. When the present government took office on June 30, 1957 there was left in the fund the sum of $852 million. As at June 30 this year the fund was down to $296 million.

We know that under the present conditions of unemployment, under the conditions which were admitted this morning by the minister, and in view of the forecast given us for the next eight or 10 months, we must acknowledge that notwithstanding the increase of 30 per cent in contributions which was introduced last year and which has been in effect since September 1, 1959, the unemployment insurance fund on this same date next year will contain only in the vicinity of $150 million. I am sure the minister will agree that this amount is not sufficient to take care of the situation. Before this estimate is passed the minister should tell us what are the plans of the government for replenishing the fund.

Before resuming my seat I want to express my concern about certain applications of the act and the regulations of the unemployment insurance commission. I know there have been abuses, and a fund of this kind is subject to them, but there rests on the officials of the department the difficult responsibility of stopping, preventing and correcting such abuses. Because the fund is in a difficult condition is no justification for certain employees having advantage taken of them.

I wish to refer briefly to the family employee. Case after case has been brought to my attention since last fall. These people were denied unemployment insurance benefits because they were employed by their fathers. In most cases the employer was in the lumber, trucking or some other business and employed two or three of his sons instead of hiring strangers as his employees. I do not see how the commission can justify a decision that would deprive those members of the family of the benefits to which they are entitled.

This has happened in New Brunswick and Quebec. When these members of the family made application for unemployment insurance they were told that if they wanted to receive benefits they should not stay at home with their father but should get out on their own or room and board with a neighbour. This situation cannot be permitted to continue. In most cases these were married men with families. They were employed by their fathers in employment that would qualify them for unemployment insurance. They should be entitled to receive it.

Mr. Martin (Timmins): Mr. Chairman, I have often felt that my speeches were stolen by hon. members of the Liberal party in this chamber, but this was the first time I felt that an hon. member of the Conservative party had stolen in the main what I intended to say. I refer to the remarks made by the distinguished hon. member for Greenwood. I did not agree 100 per cent with what he said about this fund, but I endorse the greater portion of his remarks.

When the fund was originally set up it was established on insurance principles. Proof of that can be found in the way the fund grew. At one time we had close to a billion dollars in the fund. Then the Liberal party found that it was too good a vote catcher to resist, and they let the political implications of the fund get the better of the insurance principles. Unfortunately when the present government took over it did as it has done in respect of so many things, and carried on and expanded the problems created by the Liberals. The situation has worsened since the Conservatives took office. As the hon. member said, the fund today represents no insurance principles at all but is a kind of mixed up welfare fund.

With increasing frequency we see in the newspapers and elsewhere evidence of the fact that the fund is not so much abused as chiselled. Many hon. members know this from cases brought to their attention. I do not know how you draw a distinction between an abuse and chiselling, but apparently that distinction exists in the mind of the public. As the hon. member for Greenwood pointed out, people who would never think of chiselling in any other way think the fund is fair game. The past and present governments must share the responsibility for this type of thinking among the public today.

I have received letters from constituents complaining that they have paid into the fund for the last 10 or 12 years and never drawn a cent out from it, and inquiring if they could not be paid a dividend of some kind. I believe that underlines what the hon. member said about there being no accurate concept in the public mind about the insurance principles of the fund. I have discussed this with various people. Certainly I have no offhand solution to offer the government today, but I believe an investigation of the situation should be made so the matter could be corrected in the future. I will, however, throw out one or two suggestions which I hope will be of some value.

I recommend that the government embark on a program to educate the Canadian public with respect to the meaning of the unemployment insurance fund. The government could point out that if somebody does not pay in there will be nothing to draw out, and that if you take out more than you put in someone will have to pay double or there will be nothing to take out.

I also urge the government to consider devising some kind of incentive. Again I cannot offer a detailed plan. Perhaps it could be

worked in conjunction with the old age pension, and a dividend given upon retirement to people who have paid in all their lives and never had occasion to draw out. This would be a means of driving home to the public the fact that the fund is not a barrel into which they can all reach. This is in conjunction with the program of public education to which I referred.

As long as there is a little chiselling here and a little there we will have difficulty. As the old Scottish saying goes, "Many a mickle makes a muckle". The day will come when the position of the legitimately unemployed will be made completely hopeless. If the fund has decreased by $200 million a year over the last three years there must be something wrong. Either unemployment is worse than the government has admitted or something else is wrong. There is only a little over $200 million in the fund right now, so at the rate of decrease over the last three years the government has only one year to learn what the trouble is and correct it. It behooves this government to take action rapidly if it does not want to face an extremely serious problem within the next year or so.

Mr. Southam: Mr. Chairman, I want to take only a few moments of the time of the committee, but in rising to speak on this item I should like to reiterate what the hon. member for Wetaskiwin has said with regard to the unemployment insurance fund as it affects farm labour. Last year the minister mentioned that he was setting up a committee to make a special study of unemployment insurance as it affected the seasonal unemployed with reference to the farming industry, fishing and pulp wood cutting. I should like to say that I was very pleased at that time, and I want to commend the minister for taking this action. It is another indication, of course, of how seriously our government is taking the problem of unemployment in Canada.

As a result of the recommendation to set up the committee I sent out a questionnaire to all reeves and councillors in my riding of Moose Mountain, some 200 in number, asking for their opinion on this matter. I might say for the information of the minister that I received a very good cross section of replies. Percentagewise about 75 per cent to 80 per cent of the people replying suggested they were in favour of the government taking some action along this line. In mentioning the fact that they were in favour of the application of unemployment insurance to farm labour they did not say whether it should be on an optional basis.

[Mr. Martin (Timmins).]

We have a peculiar situation in the farming industry in Saskatchewan. We have a number of large farms which are following the trend of the agrarian change which is taking place in this industry owing to automation. As a result, some farmers who may have only one son in the family, with the co-operation of automation, can carry on an economic unit; whereas on the other hand a farmer down the road with no sons in the family finds that in order to carry on an economic unit and follow the trend that has developed in the farm industry he has to have access to farm labour.

In looking at the labour market we find that the farmer's son, if he is not employed in farming, has to leave the province of Saskatchewan to find employment, because basically it has been an agricultural area, and owing to the lack of industrial development there compared with some other parts of Canada the young men have to leave. The result is there is a shortage of qualified farm labour. We would be doing ourselves a great service in Saskatchewan in particular if we could develop some type of unemployment insurance that would affect farm labour and help to maintain our population.

It is interesting to note that 30 years ago we had approximately a million people in Saskatchewan. As a result of automation developing in the industry our population slipped to 865,000 a few years ago. That trend has been reversed, and at the present time we have about 902,000 or 903,000 people in Saskatchewan. If we had maintained the normal population growth of other provinces over that same period we would have had today around 1,400,000 people, but that does not need any explanation from me. Hon. members realize what it means to a province like Saskatchewan, or any other part of the country, from an economic point of view; therefore I think we should take a serious look at this proposition to see whether something can be done to include the agricultural industry in unemployment insurance.

Mr. Starr: Will the committee allow me two minutes to answer the hon. member who has just spoken regarding agricultural employment? I know of the interest of many hon. members on all sides of the house in this subject, and I should like to tell you, Mr. Chairman, that an interdepartmental committee is studying the extension of coverage to agriculture. However, there is a decided dearth of statistical information of the kind needed to assist the committee in arriving at its conclusions. As a consequence it has been necessary for the committee to make a survey of certain types of farming in certain areas to obtain some estimate of

the likely costs. This sample has of necessity been small, but it does provide some guidance. The survey is going on now.

I should like to put on record the following departments which are represented on the committee: unemployment insurance commission, finance, agriculture, bureau of statistics, insurance and privy council.

Mr. Winch: A number of phases of unemployment insurance have already been raised on this item 173, and undoubtedly before it is passed additional phases will be brought to the attention of the committee. It is not my intention to speak on phases already raised or to prophesy what may yet be raised. My purpose in rising at this time is to draw the attention of the minister to either certain regulations or interpretations of regulations. I do so, Mr. Chairman, because I note that the hon. member for Cape Breton South has honoured us with his presence. The hon. member has not spoken during the discussion of the estimates, but he has made a great number of interjections, especially regarding certain views expressed on problems in his own riding of Cape Breton South and suggestions that from an employment point of view it could be called a depressed area. That seemed to upset the hon. member, although he has not made a speech on it yet. Will the minister consider either changing certain regulations or stating what are the interpretations of certain regulations as they apply and have applied to the present situation in Cape Breton and Cape Breton South, because I believe, sir, Glace Bay comes within the constituency of the hon. member.

Mr. MacInnis: If the hon. member does not mind I should like to make an observation. When the hon. member for Essex East was speaking he said nothing about Glace Bay, New Waterford, or the surrounding towns. He emphatically said the city of Sydney, Nova Scotia. If he would just look at a recent statement by the mayor of Sydney he would see that it is in sharp contrast with what he said.

Mr. Winch: I take it now, sir, that the hon. member takes it that no reference was made to his own constituency?

Mr. MacInnis: No, you do not understand what was said at all. He referred specifically to the city of Sydney. I do not for a moment deny there are depressed sections in that area; I am speaking specifically of the city of Sydney. The mayor of Sydney recently referred to the prosperity of that city, and it does that city no good to have somebody who does not understand the situation there go about preaching that it is a depressed city, and by so doing discouraging any new industry or any new business which might wish to come into that city. This is only another approach that is detrimental to that city, the Liberal approach in the maritimes.

Mr. Winch: I now understand the confusion of the hon. member.

Mr. MacInnis: You are referring to the hon. member for Essex East.

Mr. Winch: I am sorry; I have the floor, if you do not mind.

Mr. MacInnis: Yes, but speak factually.

Mr. Winch: My hon. friend is confused in that he did not recognize, as I think most of us did, that the hon. member for Essex East was referring to the report of the employment office in Sydney, which covers the entire area, including the hon. member's constituency.

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

Mr. Winch: As soon as I sit down, yes.

Mr. Muir (Cape Breton North and Victoria): The member for Essex East said the city of Sydney.

Mr. Winch: The city of Sydney is the regional office for the entire area, including the constituency of the hon. member who has just spoken.

Mr. MacInnis: On a point of order—

Mr. Winch: I said I would be very happy to—

The Chairman: Order.

Mr. Winch: I am sorry; I beieve I have the floor.

The Chairman: The hon. member is rising on a point of order.

Mr. MacInnis: My point is this; that the hon. member now speaking is interpreting the views of the hon. member for Essex East, and not only was the hon. member for Cape Breton South confused but this whole committee was confused with what he had to say about the unemployment situation in Moncton when he claimed that there were so many thousand unemployed.

Mr. Winch: That is not a point of order.

Mr. Robichaud: The hon. member does not know the difference anyhow.

The Chairman: According to the rules, if the hon. member has an objection to any statement he may rise after the hon. member who has the floor has completed his remarks and make his correction.

Mr. Winch: May I say that the hon. member is certainly confused now, because he is referring to Moncton and I am speaking about his own constituency.

Mr. MacInnis: But he was talking about Moncton.

Mr. Winch: I would be very happy if the hon. member would make a speech instead of interjecting so often. As a matter of fact I wonder why he is here, because he only interjects and does not make speeches. I said I was very happy that the hon. member had honoured us with his presence, because I should like to ask the views of the Minister of Labour in connection with certain regulations as they exist, and certain interpretations made thereof, with relation to representations that have been made by the united mine workers of America at Glace Bay, in the hon. member's constituency. The best way for me to introduce this matter is to read directly the information that comes to our hands. I have here, sir, a telegram received by us this month which states as follows:

> Local 4520 UMWA in session tonight respectfully request that present UIC regulations be amended to conform with the basic understanding governing payment of benefits. Some 450 coal miners employed in No. 4 colliery Dominion Coal Company Limited in Glace Bay are completely without income for a period of two weeks due to cut-backs in the Nova Scotia coal industry and regulations that prohibit payment of UIC benefits. Respectfully request use of your good office to have this extreme injustice eliminated.

We in this group, sir, to the best of our ability try to help people in all constituencies. This matter was taken up, therefore, with the unemployment insurance commission, and the reply we received was:

> Section 152 of the regulations provides that the waiting period may be waived if
>
> (a) a new period of entitlement immediately follows the end of a previous period of entitlement, and
>
> (b) the claimant's aggregate earnings in the last two weeks of the old period of entitlement are not more than one week's benefit plus allowable earnings.
>
> The situation with regard to the 400 miners is that they were laid off during the week commencing 12 June and their periods of entitlement ended on 18 June. Their new entitlement started on 19 June, but they cannot meet the conditions in (b) above because their earnings in the weeks commencing 5 June (when they worked) and 12 June were too high to permit of the waiver.
>
> I am advised that the miners received payment of unemployment insurance benefits for the week commencing 12 June but as previously stated the week commencing 18 June was the week in which they were required to serve their waiting period and therefore they received no benefit payment for this period.
>
> Yours sincerely,
> Laval Fortier
> Chief Commissioner

Now, sir, in view of the telegram I have read, in view of the answer received from the chief commissioner, may I ask on behalf of the united mine workers, local 4520, at Glace Bay, in the constituency of the hon. member for Cape Breton South, whether this interpretation of the regulations was wrong or whether the regulations could possibly be amended, especially in view of the fact that the unemployed workers at Glace Bay say this is an extreme injustice which they would like to have eliminated.

[The Chairman.]

Mr. Starr: This matter was first brought to my attention by the hon. member for Cape Breton South, who at that time was in the offices of the local union and who made available to me the information to which the hon. member refers. I was then in communication with the president of the union on the long distance telephone. I immediately brought it to the attention of the unemployment insurance commission, and the interpretation of that regulation is correct.

This has been brought to the attention of the union, pointing out that under this regulation the miners were not entitled to benefits. The only thing that can be done is to either have the regulation amended or to submit this regulation to the unemployment insurance advisory committee, the membership of which is composed of representatives of labour and management on an equal basis.

Mr. Winch: May I ask the minister if he has referred the request of the united mine workers in Glace Bay to the advisory committee?

Mr. Starr: No, Mr. Chairman, because the regulation is there. If consideration is given to obtaining the advice of that committee on whether this regulation should be in existence, then that consideration can be given and the regulation submitted for their advice.

Mr. Winch: Do I understand, then, that the minister does not feel he has a responsibility when matters of this nature are brought to his attention by any member of this house, and that he should refer them to the advisory committee, asking their advice?

Mr. Starr: This regulation has been in existence for some time and has applied in many instances of the same nature. Now, if it is felt by the commission that this regulation is unfair then the commission, in consultation with me, may agree that consideration be given to submitting this regulation to the advisory committee.

Mr. Winch: Does the minister not agree that if he receives a complaint of this nature, and he says he received it from the hon. member himself, he should refer it to the advisory committee?

Mr. Starr: We receive complaints from all over Canada about every regulation that is applied by the unemployment insurance commission. Surely the hon. member would not suggest that on the basis of the complaints we have received about every regulation in the Unemployment Insurance Act we should submit every one of them to the advisory committee?

Mr. Winch: Not on an individual basis, but if it comes from a responsible trade union or if it comes from a member of this house, yes.

Mr. Starr: We have had representations on almost every regulation from time to time over the years from responsible groups of people and representatives of the workers.

Mr. MacInnis: I am in danger of being accused of filibustering if I speak, because the opposition seems to take that attitude toward any backbencher on the government side who speaks. I should like to say this, sir, to the hon. member for Vancouver East. When this question arose I, along with the president and secretary treasurer of the local affected, not 4520 but 4530, my own local in Glace Bay, in conjunction with the officers of the united mine workers, followed through with every possible step to alleviate this hardship.

Mr. Winch: On what date?

Mr. MacInnis: I do not remember the date, but it was the date on which the matter arose. I was present in the offices of the united mine workers and I communicated with the Minister of Labour in Ottawa, the minister of labour in Nova Scotia, and made efforts to communicate with the premier of Nova Scotia because this regulation was causing hardship among the members. The Caledonia local, 4530, has thanked me along with the president and secretary treasurer, for the efforts we made in this connection.

As to the regulations, they are well aware of the fact that the unemployment insurance advisory commission has labour representation in order to look after the interests of labour. They realize that this is an insurance to us. We then attempted to get the unemployment insurance assistance benefits, and we made every effort in this regard to help the miners over this rough period they were obliged to go through because broken time in the mines at that particular period, affected their unemployment insurance for that coming week. What brought about the three week period without any remuneration was the fact that the set-up in the mines is such that when you work a week, you do not get paid for that particular week you work but the following week. That is what contributed to the hardships down there, namely the fact that they were obliged to wait three weeks in order to draw their salaries from the company.

Mr. Winch: That is a long wait.

Mr. MacInnis: Certainly it is a long wait. I appreciate that fact. I may tell the hon. member for Vancouver East that I am well aware of everything that has affected the miners in that area. I do not need the hon. member for Essex East or the hon. member for Vancouver East or any other member of the committee to point out to me the difficulties through which the miners have been going, not since 1957 but back to 1945 and further, when the previous administration was in power. Let me tell you that the present conditions prevailed under a Liberal administration. In the province of Nova Scotia 23 coal mines closed down in the period from 1946 to 1956.

Mr. Winch: How many closed down in the last three years? How many are closing down now?

Mr. MacInnis: None of the big operations have closed down in the last three years. They are facing it, but we are doing everything possible to avoid it. I will tell you now that 23 coal mines closed down in that period between 1946 and 1956, and none of the larger operations have closed down since this government came into office. Some smaller operations have closed down, but there are also a few small operations which have opened up with the assistance of the Nova Scotia government.

In order to remind the hon. member of what is going on, may I say that the telegram he received was from the president of local 4520, the brother of the only remaining C.C.F. member in Nova Scotia. As to the area about which he is concerned, I might remind him that regardless of the situation in Nova Scotia as it is today, the miners' union, the steel workers and the workers of Cape Breton have put their trust in the Prime Minister and Bob Stanfield, and rightly so.

Mr. Martin (Timmins): To get away from the political implications for a moment, may I turn to something else. The minister mentioned that one possible solution for this particular problem that has been raised has to do with amendments to the existing legislation. From what he said I gather that either the amendments or recommendations for them would come from the advisory committee. But he also said that before they could recommend any changes, complaints would have to be forwarded to them by the minister or the commission. My question is this. How can the advisory committee realize

that there are any complaints and that there is any need for amendment of the existing legislation if the great number of the complaints mentioned by the minister never get past his office?

Mr. Starr: I will say this, Mr. Chairman. I will submit this regulation, or ask the commission to consider this regulation; and if in their opinion they feel that it should be considered by the advisory committee, then they will forward it on to the advisory committee.

Mr. Winch: What is the make-up of this advisory committee? Who are on the committee? How are they appointed, and how long do they hold office?

Mr. Starr: There are four employer representatives and four employee representatives. On the employee side there are two representatives from the Canadian Labour Congress, one representative from the Canadian and Catholic Federation of Labour, and one representative from the brotherhood of railway employees. On the employer side there is a representative from the Canadian Manufacturers' Association, a representative from the Canadian Chamber of Commerce, a representative from the Canadian Construction Association and one representative from the Canadian Railway Association.

Mr. Winch: Do the committees meet of their own volition, or do they meet only when something is referred to them? In other words have they the power of initiating recommendations to the labour department?

Mr. Starr: Under the act they are empowered to report the state of the unemployment insurance fund, and to meet when the commission submits for their recommendation a certain regulation.

Mr. Winch: In other words the advisory committee can meet only on a direction of the commission, and can deal only with matters which are referred to it by the minister or through the unemployment insurance commission. Is that correct?

Mr. Starr: It is an advisory committee to the commission.

Mr. Winch: It can meet only when something is referred to it. It cannot meet of its own volition or bring in its own recommendations?

Mr. Starr: That is right.

Mr. Winch: Do you think that is a democratic procedure?

Mr. Starr: That is the way the committee is set up under the act.

[Mr. Martin (Timmins).]

Mr. Herridge: As to persons who are possibly entitled to draw unemployment insurance for some months but who become university students, can they continue to draw unemployment insurance?

Mr. Starr: Each case is considered on its own merits.

An hon. Member: In some cases it can be done.

Mr. Herridge: In some cases?

Mr. Starr: Yes, having regard to the availability of the student for work. That is the basis on which he can draw unemployment insurance.

Mr. Winch: May I ask for a further point of information on something I have never been able to get quite clear from reading the act. To my knowledge there are a great many persons who have been previously employed but who want to try, when they are unemployed, to get out on their own and earn their living. I know a great number of such persons in my constituency. They may be electricians, carpenters or painters. If they endeavour to help themselves in this way and they hit a bad period, as they do, in order to be covered when they are endeavouring to do this are they entitled to contribute to unemployment insurance?

Mr. Starr: If they go into business for themselves and, during the period of the first two years, become unemployed, they may apply for unemployment insurance benefits because of the fact that it is within the two-year period only that a person can claim benefits. Then if it is found that they are genuinely unemployed in that respect they would be eligible for unemployment insurance.

Mr. Winch: How do they contribute in this period? I am greatly interested in this matter. When you have these people who want to try to get out and help themselves, and who are doing so, is there any way in which, during that temporary period of a year or two years when they are trying to help themselves, they can pay in to unemployment insurance?

Mr. Starr: No; no self-employed person can be insured.

Mr. Winch: In other words they are not eligible at all?

Mr. Starr: No.

Item agreed to.

The Chairman: That completes the estimates of the Department of Labour.

Mr. Winch: While we are waiting for the next department to be proceeded with, it may be a good time for me to say this to the minister. He may have thought that he has had a rough time. He has a rough job. However, we all appreciate the courtesy with which he has treated us.

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

The Chairman: This item will be found at page 44 of the blue book, the details at page 290.

Mr. Winch: Mr. Chairman, in view of the fact that it is now seven minutes to six and I understand the minister has a full statement to make, may I suggest that we call it six o'clock?

The Chairman: Is the committee agreeable to calling it six o'clock?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder if I might ask the house leader, just for the convenience of members, to outline the business for Monday and Tuesday and for as much of next week as he wishes to?

Mr. Churchill: Mr. Speaker, in the hope that next week will be the last week of the session I will outline what remains before us.

On Monday we will take third reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code. Appearing on *Votes and Proceedings* tonight will be a resolution concerning the appointment of a judge for Prince Edward Island, and the house might like to consider that as the second item of business on Monday. That will be followed by the committee stage of the bill on human rights and fundamental freedoms.

If that discussion does not carry over to Tuesday, we have for Tuesday the resolution mentioned this morning by the Prime Minister concerning Canada's participation in the United Nations force for the Congo, followed by the report of the committee on procedure which I would ask to be taken up later on Tuesday. I will also move concurrence in the report of the civil service commission tabled on July 14 and shown in *Votes and Proceedings* on page 774, referring to the staff of the House of Commons.

Business of the House

As it is impossible to estimate at this moment the termination of the session, it may be necessary to call interim supply on Tuesday. The estimates which remain for the house to consider are, in this order: national defence, finance, trade and commerce and privy council.

Mr. Pickersgill: May I ask the leader one other question. Is it the intention to proceed right through with the committee stage of the bill of rights until it is finished?

Mr. Churchill: That is, running over Monday and Tuesday?

Mr. Pickersgill: Yes.

Mr. Churchill: I would think that would be the wish of the house.

Mr. Winch: May I ask a question of the house leader. In view of the importance placed by the Prime Minister this morning on the motion asking for the authority of parliament for the sending of certain of our forces overseas, might it not be advisable and proper to have that called first on Monday so as to have the authority of parliament and our expression of support?

Mr. Churchill: If the house so desires. The resolution will appear in *Votes and Proceedings* and the rules require 48 hours' notice, but if the house gave consent it could consider that on Monday.

Mr. Winch: I think in view of the importance of the matter and the fact that we do not know how long we will take on other business, it might be a nice thing if that were introduced first and received the support of the house.

Mr. Pickersgill: I am sure that would be agreeable to us, Mr. Speaker.

Mr. Diefenbaker: Mr. Speaker, if we had unanimous consent that would be very proper, that we should proceed in that way on Monday. I suggest that is the apparent feeling of the house, in view of the statements which have been made by the two hon. gentlemen.

Mr. Speaker: I am advised that the notice would be sufficient, but in any event is the house agreeable to so order if necessary?

Some hon. Members: Agreed.

Mr. Speaker: Agreed. Is it agreed that I call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house adjourned, without question put, pursuant to special order.

Questions

ANSWERS TO QUESTIONS

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

LATIN AMERICAN MINES LTD.

Question No. 431—**Mr. Martel:**

1. Is Latin American Mines Limited licensed under the authority of the secretary of state?

2. If so, (a) what were the names and addresses of the directors when said license was requested? (b) what are the names and addresses of the present directors?

Answer by: **Hon. Leon Balcer (Acting Secretary of State):**

1. Latin American Mines Limited was incorporated under the laws of the province of Ontario on October 8, 1946, under the name Guayana Mines Limited. Supplementary letters patent were issued by Ontario authorities on September 10, 1952, changing the name to Consolidated Guayana Mines Limited, and further supplementary letters patent were issued on December 4, 1957, changing the name again to the actual name Latin American Mines Limited.

2. No information.

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

DEPARTMENT OF LABOUR

165. Economics and research branch including research grants and related expenses, $688,895.

166. Annuities Act administration, $1,194,357.

167. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $595,271.

168. Civilian rehabilitation branch including payments to the provinces to implement a program for the rehabilitation of disabled persons, in accordance with terms and conditions approved by the governor in council, $217,170.

Special services—

169. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $502,075.

Vocational training co-ordination—

170. Administration, $112,905.

171. To carry out the purposes of the Vocational Training Co-ordination Act and agreements made thereunder; to authorize the Minister of Labour to enter into agreements with any province on terms approved by the governor in council to provide financial assistance to vocational and technical schools, and training under youth training projects and to provide for the expenditures thereunder and under vocational training agreements entered into in previous years, including authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $8,857,600 —Payments to the provinces, $8,497,600.

Government employees compensation—

172. Administration of the Government Employees Compensation Act, $112,170.

B—Unemployment insurance commission—

173. Administration of the Unemployment Insurance Act, including expenditures incurred in connection with other duties and responsibilities assumed and carried out as required by the governor in council on the recommendation of the Minister of Labour in accordance with section 4 of the Act, $36,136,000.

174. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $37,500.

A—Department—

General administration—

526. Annuities Act—To authorize the payment of interest, in the current and subsequent fiscal years, out of the government annuities account, on premiums being refunded that were paid under a contract entered into with Her Majesty pursuant to subsection (3) of section 6 of the Government Annuities Act where such premiums are in excess of the amount required to purchase the maximum annuity payable under that act to an employee of the purchaser; the said interest in respect of premiums being refunded shall be calculated at the rate of interest applicable to the premiums at the time they were received and such interest shall be payable for the period from the day on which the excess premiums were received by Her Majesty to the day on which the refund is made, $1.

Special services—

527. To extend to the 31st day of May, 1960, the period in respect of which payments may be made to a province and in respect of Indian bands under the municipal winter works incentive program as contemplated by vote 615 of the Appropriation Act No. 1, 1960, $1.

B—Unemployment insurance commission—

528. Transfer of labour to and from places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council—further amount required, $237,500.

HOUSE OF COMMONS

Monday, August 1, 1960

The house met at 11 a.m.

BUSINESS OF THE HOUSE

OMISSION OF SUPPLY ITEM FROM ORDER PAPER

Mr. Speaker: I think I should call the attention of the house to a clerical omission from the order paper. Under government orders there should appear a further item reading:

July 30—House again in committee of supply (the messages of His Excellency the Governor General with estimates, supplementary and further supplementary estimates, referred)—The Minister of Finance.

PUBLIC WORKS

NORTHWESTERN QUEBEC—STATEMENT ON INVESTIGATION INTO CRIMINAL ACTIVITIES

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I think the house will be interested to know that the investigation which was commenced several weeks ago into possible criminal activities in certain public works projects in northwestern Quebec has now advanced to the point that it appears that criminal charges should be laid.

Accordingly my colleague the Minister of Justice is appointing counsel to assess the evidence now available, to advise as to the course of further criminal investigations, and to draft the charges that should be laid. The house can be assured that the completion of this aspect of this investigation and the laying of charges against all those who may be involved in a criminal way will be pressed with the greatest possible speed.

EXPROPRIATION ACT

AMENDMENT REQUIRING NOTICE TO INTERESTED PARTIES

Hon. Paul Martin (Essex East) moved for leave to introduce Bill No. C-88 to amend the Expropriation Act.

Mr. Pickersgill: Explain.

Mr. Martin (Essex East): This bill proposes to provide for an amendment to the Expropriation Act to require the minister in the name of the crown to give notice of intention to all interested parties of the crown's desire to take over particular properties.

I sincerely hope we can have passage of this bill this week in order to make more effective the end result of the bill of rights.

Motion agreed to and bill read the first time.

JUDGES ACT

PROVISION FOR ADDITIONAL JUDGE IN PRINCE EDWARD ISLAND

Hon. E. D. Fulton (Minister of Justice) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Judges Act to provide salary for an additional judge of the supreme court of judicature of Prince Edward Island.

Motion agreed to.

UNITED NATIONS

CONGO—PARTICIPATION OF CANADIAN FORCES IN CURRENT OPERATIONS

On the order: Government notices of motion:

July 30—The Prime Minister—(a) The following proposed motion:—That it be resolved by the... House of Commons:

That it is expedient that the Houses of Parliament do approve the participation of Canadian forces in the United Nations operations in the Congo, and that this house do approve the same.

(b) The following proposed motion consequent upon the adoption of motion "a" above:—

That a message be sent to the Senate informing Their Honours that this house has adopted a resolution approving of the participation of Canadian forces in the United Nations operations in the Congo, and requesting Their Honours to unite with this house in the approval of the same by filling up the blanks in the resolution with the words: "Senate and".

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders later this day.

MOTIONS FOR PAPERS

SAUGEEN INDIAN RESERVE—LAND FOR ROAD ALLOWANCE

Question No. 134—**Mr. Howard:**

For a copy of all correspondence, telegrams, and other documents exchanged between the government or any department or agency thereof and any other government, person, or corporation, since January 1, 1956, dealing with the surrender of land

for a road allowance of approximately seven miles in length from the Saugeen band of Indians to the corporation of the county of Bruce.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): We shall be glad to produce whatever correspondence is available having regard to this particular deal, but I draw the attention of the hon. gentleman to the fact that there was no formal surrender of land or formal resolution regarding the surrender of land. On that basis we shall be glad to produce the correspondence.

Motion agreed to.

DOMINION-PROVINCIAL CONFERENCE, 1960—ADDITIONAL COST

Motion No. 135—**Mr. Pickersgill:**

For a breakdown of the estimate of the additional cost to the federal treasury of the provincial proposals at the public sessions of the federal-provincial conference on July 25 and 26, 1960, provisionally fixed by the Minister of Finance at approximately two billion dollars.

Motion agreed to.

"CANADIAN ECONOMIC OUTLOOK FOR 1960"

Motion No. 136—**Mr. Pickersgill:**

For a copy of the "Canadian Economic Outlook for 1960", prepared in the Department of Trade and Commerce.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, there is no such document for 1960.

Mr. Speaker: Does the hon. member wish his motion to be withdrawn?

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, it seems to me there is no reason why the motion should not be passed. If there is no such document it obviously cannot be complied with.

Mr. Churchill: Mr. Speaker, on a point of order, it would not be in accordance with the practices and usages of parliament to pass a motion concerning a document which does not exist.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on the point of order, just a few days ago there was tabled in this house in answer to a motion for the production of papers a return showing no correspondence between the federal government and the Saskatchewan teachers' federation. I suggest with all deference that it is very much in order to have on the order paper a motion for the production of papers which may result merely in demonstrating that no such papers exist. Such motions have often been passed. I think the hon. member for Bonavista-Twillingate is perfectly right when he says it is in order that this motion be passed. If no such document exists, of course, it could not be complied with.

Mr. Churchill: Speaking to the point of order, Mr. Speaker, the example given is not analogous at all. A search would have to be made for correspondence. It might not be within the knowledge of the minister at the time whether that correspondence was in existence. After the motion was passed a nil return was produced, but in this instance I have given the information.

Mr. Pickersgill: Mr. Speaker, in order to avoid any further complications, if the house will give unanimous consent I will be very pleased to withdraw the motion.

Mr. Speaker: I thank the hon. member, because otherwise there is a difficulty presented in that the house is asked to accept a motion which involves necessarily a refusal to accept the word of the hon. gentleman, given from his place in the house. Does the house give unanimous consent to the withdrawal of this motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

BUSINESS OF THE HOUSE

RESUMPTION OF CAPITAL PUNISHMENT DEBATE—ANNOUNCEMENT OF POLICY RESPECTING WESTERN FARMERS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of the state of the order paper, which is now pretty clear, could the Prime Minister give some information to the house about the arrangement for a private members' day to discuss capital punishment?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have already spoken with the house leader in this regard. I am very anxious to have a day set aside for a continuance of the discussion of this subject, and this will be done as soon as an arrangement is made between representatives of the opposition and the house leader. As referred to earlier I will be very happy to have that day fixed by agreement. Otherwise it will be somewhat difficult to have a day fixed. We want to have a day set aside for the purpose of this discussion, as was made clear. All that is needed now is an agreement among those whose responsibility it is to facilitate the business of the house.

Hon. Lionel Chevrier (Laurier): A supplementary question, Mr. Speaker. May I ask the Prime Minister if it was not the intention of the government that there would be

a conference among the house leaders as to when this could be arranged? There has been no indication that such a conference is about to take place or has taken place over the last several weeks.

Mr. Diefenbaker: Mr. Speaker, I suppose the answer to that question should be given by the house leader. We want the conference to take place, we want the day to be set aside, and we want the discussion to take place.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, in order to clear this up may I say that preliminary consultations were held on Saturday with hon. members on the other side of the house. I was informed that an answer would be forthcoming today. We have not yet had an opportunity today to have further consultations.

Mr. Chevrier: May I ask the house leader with whom the preliminary discussions were held?

Mr. Churchill: If all these things must be disclosed, yes, but it is normal for whip to consult with whip. I consulted with the hon. member for Kootenay West.

Mr. Herridge: Quite correct.

Mr. Chevrier: No one consulted with me.

Mr. Churchill: The hon. member was not here.

Mr. Hazen Argue (Assiniboia): On the general question of legislation, or action that will be required by the house for the remainder of the session, can the Prime Minister say whether parliamentary action will be required during this session to implement the government's proposal to bolster western farm income?

Mr. Diefenbaker: Mr. Speaker, after we have concluded the matters that are before the house at the present time, then the house will be advised in this regard.

Mr. Argue: Before the Prime Minister makes this long sought statement in the house, will a conference be held with the farm organizations to discuss this general question?

Mr. Diefenbaker: That, too, will be made clear at the same time.

Hon. Paul Martin (Essex East): May I ask the Prime Minister whether one can draw from what he has said that there is no doubt there will be a declaration of policy by the government on this matter before we prorogue?

Mr. Diefenbaker: Mr. Speaker, I simply point out that when parliamentary action has been taken on those matters now before us, then it will be appropriate to consider the matter in question.

Mr. Martin (Essex East): May I ask the Minister of Agriculture a supplementary question. Is it clear that an announcement will be made by him, or by a member of the government, including the Prime Minister, of the government's policy with regard to the demands of the western farmers through the western liaison committee and the thousand farmers who came to Ottawa a year and a quarter ago?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I think it is quite evident that I would have nothing to add to what the Prime Minister has already said in regard to this matter.

Mr. Pickersgill: The short answer is no.

Mr. Argue: A well behaved minister.

COMBINES INVESTIGATION ACT

SOUTHAM PRESS—SUGGESTED STUDY OF PURCHASE OF PUBLISHING COMPANY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to address a question to the Minister of Justice. I regret not having given him notice of it. I wonder whether the attention of the minister or of the combines investigation branch has been drawn to a newspaper article—I am reading from a newspaper story of Saturday, July 30—which indicates that Southam Press, a large concern in the newspaper field, has purchased MacLean Publications, a publishing company, and whether this indicates it will result in any study by the combines branch.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I did see the press article on Saturday. I think it referred to the acquisition of MacLean Publishing Company, not Maclean-Hunter. There is a distinction. I have not had a chance yet to consult with the director on the matter, but I shall do so at the first opportunity to see whether his attention has also been drawn to the article.

CANADIAN NATIONAL RAILWAYS

FORT WILLIAM, ONT.—REQUEST FOR DONATION OF STEAM LOCOMOTIVE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Transport. The Fort William junior chamber of commerce is trying to secure a steam locomotive to be installed in a park area as a monument to the era of the

iron horse. For one of its discarded engines the Canadian Pacific Railway wants $15,000. The Canadian National Railways donated one free to the town of Rainy River. My question is, is the minister in a position to inform the house whether the Canadian National Railways have more of these engines to give away? If not, what are they doing with those old locomotives?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, I wish to thank the hon. member for indicating his intention to ask this question. I will pass his question along to the management of the Canadian National Railways. As soon as I have received an answer I will pass it along to him.

ARTS, LETTERS AND SCIENCES

NATIONAL GALLERY—REPORTED RESIGNATION OF ASSOCIATE DIRECTOR

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I can ask the Minister of Citizenship and Immigration whether the associate director of the national gallery has submitted his resignation.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, to the best of my knowledge and belief the answer is no.

Mr. Pickersgill: Can the hon. lady say whether she has seen the story which appeared in the Toronto *Star* of July 30, to this effect? If not, will the hon. lady have a look at this story and inform the house tomorrow?

Mrs. Fairclough: I have already read the article in question, and there are so many discrepancies in it that I cannot credit any of the statements contained therein.

ATOMIC ENERGY

INQUIRY AS TO DISPOSAL OF U.S. ATOMIC WASTES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on Friday last I asked the Minister of Trade and Commerce whether a company by the name of Crossroads Marine Disposal Corporation of Boston was manufacturing at Nanaimo, British Columbia, containers for the disposal of atomic wastes, and the minister said he would look into the matter. I wonder whether he now has any information to give the house.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I have found on investigation that a firm known as International Anti-Radiation Limited was set up in Nanaimo, British Columbia, last year to manufacture spherical containers of high density concrete, reinforcing steel, dense glass, lead and polyethylene, in which radioactive wastes might be disposed of to the sea. This company, according to press reports, has signed a contract with a United States firm, licensed to dispose of low level United States radioactive wastes, for the use of these containers in its disposal operations.

The company has not been authorized by the atomic energy control board of Canada to receive or dispose of radioactive wastes in Canada or in the waters adjacent to Canada. Since no permit is required for the construction of containers provided radioactive materials are not placed therein, the company's construction activities are not affected, but the board has not approved the use of these containers for the disposal of radioactive wastes from Canada. It has advised the company that the suitability of the containers could be considered only in connection with an application to dispose of specific wastes. Similar arrangements are in effect in the United States but, so far as the board is aware, the atomic energy commission has not approved the use of these vessels for the disposal of United States radioactive wastes.

The subject is one of importance from the standpoint of protection for the public. Interested members might refer to the report of the committee on research which was made to the house some time ago. They will find there, in the statement made by the president of Atomic Energy of Canada Limited, some reference to the care that is taken with regard to radioactive wastes, and it is interesting to note that the safety record of Atomic Energy of Canada Limited is very good indeed. No lost time injury has occurred in 15 years in the operations of Atomic Energy of Canada Limited, and this has been due largely to the supervision and control exercised by the radiation hazards control branch and the co-operation it receives from operating personnel throughout the project.

Mr. Argue: So that the answer will be clear, is it a fact that although these containers are manufactured in Canada, they will be sent to the United States and will be used for the disposal of United States atomic wastes in United States waters and not Canadian waters?

Mr. Churchill: They will not be used for Canadian purposes whatsoever. Whether or not the company has a firm contract to ship them to the United States, and whether or not they will be used by the United States for the purpose indicated is not within my knowledge, but they are not intended for Canadian use and no radioactive wastes can

be disposed of in Canada or adjacent to Canada in Canadian waters without the consent of Canada.

SHIPPING

LAKE ST. FRANCIS—GROUNDING OF FREIGHTER UNDER U.S. PILOT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport, notice of which I have already sent him. Is the minister aware that a United States pilot operating in Canadian waters, apparently in contravention of the Canada Shipping Act, recently grounded the freighter *Astertal* in lake St. Francis? What action does the minister, as the pilotage authority, intend to take in this case?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, we are looking into that report.

[*Later:*]

Mr. Chevrier: Mr. Speaker, may I ask the Minister of Transport a supplementary question. When he is looking into the matter I raised a moment ago, I wonder if he would inquire whether a United States pilot authorized to pilot a ship in international waters can take a ship right through to the city of Montreal, when Canadian pilots have not a similar right to operate in purely United States water.

Mr. Hees: Yes, I will get that information also.

ADMINISTRATION OF JUSTICE

MANITOBA—POSSIBLE CHARGES IN RESPECT TO CHINESE IMMIGRATION

On the orders of the day:

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, I should like to ask the Minister of Justice whether the R.C.M.P. investigation is still continuing or has been concluded with respect to any further charges which may be laid in the province of Manitoba in connection with the recent Chinese immigration investigation.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am sorry I am not able to give my hon. friend an authoritative answer. I think I had better find out what the exact situation is before I attempt to do so.

Inquiries of the Ministry

UNITED NATIONS

DISARMAMENT—REPORTED U.S. SUGGESTION RESPECTING COMMISSION MEETING

On the orders of the day:

Hon. Paul Martin (Essex East): On Saturday last I asked the Prime Minister, and he promised to obtain a reply from the Secretary of State for External Affairs, if the government has yet been advised as to whether there would be a meeting of the disarmament commission prior to the general assembly of the United Nations, to deal with the question of disarmament.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, Mr. Padillo Nervo, the chairman of the disarmament commission, is now in the course of inquiring of the different members of the commission with regard to a date for the meeting. Tentatively it has been set for August 15; at least the suggestions are that it may be on August 15.

FINANCE

"CANADIAN ECONOMIC OUTLOOK FOR 1959"—INQUIRY AS TO PREPARATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Trade and Commerce if the hon. gentleman could say whether there was prepared in his department a document entitled "The Canadian Economic Outlook for 1959"?

Hon. Gordon Churchill (Minister of Trade and Commerce): Yes; and the house had that before it earlier, and expressed its opinion.

UNITED NATIONS

CONGO—PARTICIPATION OF CANADIAN FORCES IN CURRENT OPERATIONS

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

(a) That it be resolved by the ... House of Commons:

That it is expedient that the Houses of Parliament do approve the participation of Canadian forces in the United Nations operations in the Congo, and that this house do approve the same.

(b) The following proposed motion consequent upon the adoption of motion "a" above:—

That a message be sent to the Senate informing Their Honours that this house has adopted a resolution approving of the participation of Canadian forces in the United Nations operations in the Congo, and requesting Their Honours to unite with this house in the approval of the same by filling up the blanks in the resolution with the words: "Senate and".

United Nations Forces in Congo

He said: Mr. Speaker, I think I should commence by placing on record the two resolutions that were passed by the United Nations security council, so the entire transaction which has made necessary the action now being taken will be before members of the house.

On the 13th July a resolution introduced by Tunisia was passed which reads:

The security council,

Considering the report of the secretary general on a request for United Nations action in relation to the Republic of the Congo,

Considering the request for military assistance addressed to the secretary general by the president and the prime minister of the Republic of the Congo (document S/4382),

Calls upon the government of Belgium to withdraw their troops from the territory of the Republic of the Congo;

Decides to authorize the secretary general to take the necessary steps, in consultation with the government of the Republic of the Congo, to provide the government with such military assistance as may be necessary, until, through the efforts of the Congolese government with the technical assistance of the United Nations, the national security forces may be able, in the opinion of the government, to meet fully their tasks;

Requests the secretary general to report to the security council as appropriate.

Then there was a revised draft resolution on the 22nd July, sponsored by Ceylon and Tunisia, which in part read as follows:

The security council,

Having considered the first report by the secretary general on the implementation of security council resolution S/4387 of 14 July 1960 (document S/4389),

Appreciating the work of the secretary general and the support so readily and so speedily given to him by all member states invited by him to give assistance,

Noting that as stated by the secretary general the arrival of the troops of the United Nations force in Leopoldville has already had a salutary effect,

Recognizing that an urgent need still exists to continue and to increase such efforts,

Considering that the complete restoration of law and order in the Republic of the Congo would effectively contribute to the maintenance of international peace and security,

Recognizing that the security council recommended the admission of the Republic of the Congo to membership in the United Nations as a unit,

Calls upon the government of Belgium to implement speedily the council resolution of 14 July 1960, on the withdrawal of their troops and authorizes the secretary general to take all necessary action to this effect;

Requests all states to refrain from any action which might tend to impede the restoration of law and order and the exercise by the government of Congo of its authority and also to refrain from any action which might undermine the territorial integrity and the political independence of the Republic of the Congo;

Commends the secretary general for the prompt action he has taken to carry out resolution S/4387 of the security council and his first report;

Invites the specialized agencies of the United Nations to render to the secretary general such assistance as he may require;

[Mr. Diefenbaker.]

Requests the secretary general to report further to the security council as appropriate.

Those are the two resolutions upon which action is now invited and the approval of parliament asked. The constitutional position in this regard was set forth by the former prime minister, Right Hon. Louis St. Laurent, on November 20, 1956, when an order in council was passed which authorized the maintenance on active service of not more than 2,500 officers and men as part or in immediate support of the United Nations emergency forces in the Middle East.

A special session of the house was called and the order in council was duly tabled, at which time the then prime minister stated that it has always been the constitutional requirement and the constitutional practice that the government has to take the responsibility of making a decision, and then puts itself in the hands of parliament so that parliament may determine whether it will provide the funds to implement that decision, or whether it will refuse to provide the funds and get another government to carry out the policies that parliament wants to have carried out.

That has always been the position. That will always be the position, so long as this party has the responsibility for public affairs in this country. A supplementary $1 item in the estimates was debated and approved, without a vote being taken, on November 29.

Mr. Pearson: I wonder if the Prime Minister could give us the *Hansard* page reference he has just mentioned?

Mr. Diefenbaker: I have the copies of *Hansard* here. I thought I would simply summarize, and if there are any questions they can always be checked in *Hansard* and I will refer to the specific pages if required.

Today I had the opportunity of discussing something of the situation in the Congo with Air Commodore Carpenter of the R.C.A.F., who returned yesterday from the Congo. He was in charge of the air lift there, and those of other nations who saw something of the work he has done have given him high commendation.

He pointed out the situation as he saw it there in a way that could not be understood by simply reading the records and statements from those in the area. The views he expressed indicated something of the situation in that country. It is a vast country, situated on the equator, depending in the main on waterways, 1,000 miles on the Congo river and some 4,000 other waterway miles. Its communications generally are based on those waterways.

When independence came at the end of June the political and business administration

ceased to exist. Those Belgians with experience withdrew, and the result was that there was uncertainty in all parts of that country. With the withdrawal of the Belgian administration, with businessmen leaving and with other Belgians immediately departing from the country, there was brought about a situation which became difficult for the people of that country.

In saying that it is no criticism whatever of the action taken by the Belgian government or by Belgian nationalists. The Congo had achieved its independence. It had an administration to take over. But the difficulty apparently was this, that there was not that training and experience which is so necessary for administrators to have when suddenly propelled into a position of national responsibility. With the businessmen leaving, the result was that unemployment mounted and food in general became very scarce; for although the Congo supplies 97 per cent of all the food consumed in the country, no one had the money to make purchases. A dangerous situation resulting from hunger was the consequence.

In these circumstances I think I should also place before the house discussions which I had on Saturday with the prime minister of the Congo. He said he came to Canada because in the thinking of the people of his country Canada occupied a position of independence, coupled with a reputation for coming to the assistance of other nations with plans without strings attached.

Following his visit he made certain statements to the press in an interview, and I should like to make very clear the events which took place. He did not ask for any aid or assistance on the part of Canada directly or in any way outside the ambit of the United Nations in joint action. He indicated that he felt that in view of the bilingual nature of our country and the need for having French speaking technicians, Canada, he hoped, would provide a reservoir for the supply of needed agriculturists, teachers, doctors, nurses, lawyers, radio technicians, information and administrative officers and the like. He wanted a list, if he could secure one, of Canadians who might be available to go to the Congo in the event that financial arrangements to that end were made by the Congo government with the individuals in question.

I stated that we would communicate with universities, the national research council and professional bodies to the end that the needs of the Congo, would be made known to them, and he emphasized that any arrangements made would of course be made directly by representatives of his government. He further stated that he would like Canada to participate in an investment program in his country, and I frankly told him that Canada, a country in a stage of great development, was herself in need of capital and that in this regard I did not expect that his hopes would be attained.

Also on Saturday I met with some Canadian missionaries who had just returned from the Congo. They were representatives of the Baptist and Mennonite faiths, and were brought to North America by airlift some ten days or two weeks ago. They informed me that while there was a feeling of antagonism against the whites in general, at no time had they been directly or physically interfered with; and I think it is proper to say that among all the missionary representatives of Catholic and Protestant denominations and faiths from Canada, none has been subjected to personal physical violence.

However, the interesting reaction of these people and the reason they came to Ottawa was that they felt that at the earliest possible date they should return to their responsibilities and fields of service. They felt that the missionaries of the various faiths and religious denominations in Canada would want to return there as soon as a reasonable degree of order had been re-established. They pointed out what is known to all of us, that wherever there is anarchy, chaos or economic dislocation there is a field for communist operations. They spoke in the highest terms of the treatment they had received. They also indicated the need of action being taken by the nations of the world to assure that the conditions existing in that country, wealthy but unfortunate in so far as civil disorder is concerned, should receive the attention of all of us.

In that regard it is obvious that the U.S.S.R. is using the situation prevalent in that country to assure that those conditions shall be magnified. Indeed, in the last few weeks the attitude of the U.S.S.R., particularly since early in May, has been one of aggressive and continuing threats. Only on Friday Tass, the official Soviet news agency, carried a government statement to the effect that it had become clear that "the aggressors in the Congo were acting with the encouragement of all the colonial North Atlantic treaty powers." This was a continuation of Premier Khrushchev's earlier view expressed on July 15, in which he referred to imperialist aggression in the Congo. Finally it was stated that Russia was ready to consider giving the Congo extensive economic assistance and "will not shrink from taking decisive measures to rebuff the aggressors who, as it has become quite clear, are acting with the encouragement of all the colonist powers of NATO."

That statement is hardly in keeping with the fact that the U.S.S.R. as a member of the security council must have voted for, or given its support to, the resolutions of the security council which I outlined at the beginning of my remarks. Indeed, on July 21 Mr. Khrushchev threatened to send troops to the Congo, although the Soviet representative in the United Nations security council voted for or supported the decision that no troops of major powers should be included in the international force.

The course of action taken by the U.S.S.R. in the past several weeks in the Congo incident is a continuance of the belligerent and even blatant attitude now being taken in many parts of the world by that country. It is of interest, too, that while Prime Minister Lumumba when he was in Washington refused to meet with the charge d'affaires of the Soviet embassy there, while he was in Ottawa he met with the ambassador of the U.S.S.R.

I repeat in summary what I have said, namely that the need of action being taken to restore equilibrium in the Congo is underlined by the fact that the U.S.S.R. has been making the threats to which I have referred. Indeed, in addition that country has endeavoured to supply foodstuffs directly to the Congo without going through the United Nations organization. All this if successful, could not but have an adverse effect on the strength, the authority and the responsibility of the United Nations.

During the years Canadians have advocated the need of an international force under the control of the United Nations to be available whenever required. I looked up some of the debates in parliament, and I am simply going to refer to them so as to make clear to hon. members the nature of the particular discussions which took place in this regard.

I spoke in this house on October 19, 1945 on the United Nations agreement which was then before us for consideration, and I said this, as reported at page 1308:

> I know this charter will be approved, and, I hope unanimously, by parliament, but approval will be only lip service to its idealistic principles unless parliament faces the realistic problem of assuring not only by words but by pledges that Canada will contribute to and make available to the security council the necessary armed forces, assistance and facilities including the rights of unhampered international air passage across Canada and the use of her airports for the maintenance of international peace and security.

Then again, prior to the United Nations meeting in April, 1945, at San Francisco, I said speaking on the conference, as reported at page 163 of *Hansard* of March 23 of that year:

Are we going to incorporate a further provision whereby we in Canada shall determine not only the number of men we will supply and the nature of other support we may give, but in addition stipulate that the men we mobilize for an international force shall not be used beyond the confines of Canada? The Prime Minister finally used these words:

> "As they stand, the acceptance of the proposals would in no way commit Canada to send forces beyond Canadian territory at the call of the security council. If any such commitment were sought, it would be embodied in a later agreement freely negotiated by the government of Canada, and coming into effect only after it had been approved by parliament."

With that statement I am not in disagreement in so far as it requires that this agreement, like any other of the kind, under the proposals, must be presented to parliament. But what is serious about that statement is that either unintentionally or designedly, page 26 of *Hansard*, on which the Prime Minister's remarks are reported, makes for controversy in this country at a time when there should be a united front. Surely one of the outstanding lessons we learned in the failure of the league of nations was that when the member nations of the league had the right to determine the degree of their obligation the league ended as an instrument to prevent war.

Then at page 164 I said:

> The warning of 1919 comes back in 1945. The league of nations failed because it never had the power or strength of a real league. It failed because it lacked the united responsibility of all member nations to keep the peace; because it reserved to any and all of them the right to decide if and when and where they would co-operate to assure peace.

And a little later:

> If we take away from our responsibility to contribute our part everywhere in the world we add to the probability that eventual impotence will come to the security council, for other nations may well follow our lead in this regard.

After referring to the fact that the one great contribution Canada could make in the building of a new world free from war would be to make available to the United Nations the strategic airports given to us by nature, I went on to say, as reported at page 165 of *Hansard* of March 23, 1945:

> In that way we can do our part toward rendering available posts from which great international forces will be able to move in order to prevent aggression, not only within the confines of Canada but everywhere in the world where duty calls and parliament allows.

Our view at all times was that an international force available anywhere in the world was the one means whereby the high idealism inherent in the United Nations organization would become effective in the interests of world peace.

In addition, I think I should also refer to the discussion which took place in this house on January 31, 1956. At page 723 of *Hansard* of that date I set forth the views that had been expressed on earlier occasions. On that occasion the house was discussing the situation in the Middle East. I said that as far

as I could see the only immediate hope was to set up an international force to protect and assure the boundaries. I went on to say:

> I suggest to my hon. friend who interrupted that one of the things he can do, with his influence in the United Nations, is to see to it that something in the nature of an international force is established to the end that this dangerous situation shall be obliterated. If it is not, and war breaks out, we shall have war all over the world—

I simply point out these instances in the past, beginning in March of 1945, to indicate that throughout that period of time the Conservative party took a strong stand on behalf of an international force.

An international force has now been set up to meet the delicate if not indeed the frightening situation in the Congo. I say that because unless a degree of order is established there, what is taking place in the Congo may, in the nature of things, be expected to expand. There will be a total of 12,140 in this international force consisting of 14 battalions and 5 companies representing nine countries: Ethiopia, Ghana, Guinea, Liberia, the Mali federation (Senegal and Sudan), Morocco, Tunisia. Haiti and Burma may also contribute. Ireland has already sent its force, one battalion, and Sweden has transferred 635 persons from the Gaza area. In addition to these there are military advisers from Canada, New Zealand, Norway, Sweden, Italy and Denmark.

I should pay the tribute of Canadians to the outstanding work done by all who have gone to the Congo, to the advance party of officers, and in particular Colonel Jean Berthiaume, chief of staff to Major General Von Horne, United Nations commander. Colonel Berthiaume is in charge of getting in troops and of deployment, and has earned the commendation of all who are contributing to the force. As I said earlier, the airlift has been in charge of Air Commodore Fred Carpenter, R.C.A.F., who has also made an outstanding contribution that has won widespread commendation.

What have we done? What has been Canada's contribution? I simply outline it for the record without going into particulars. Following the initial request the government authorized the secondment of five Canadian officers who volunteered from the United Nations truce supervisory organization in Palestine. Three of the five are now in Leopoldville. When it was reported that there was the risk of a food shortage the government decided to provide pork and dried powdered milk to which reference has already been made. These supplies were airlifted by R.C.A.F. North Star aircraft.

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United Nations Forces in Congo

The secretary general asked for the secondment of certain specialized personnel, including five Canadian officers serving with national contingents of the United Nations emergency force in Palestine. The five Canadian officers, all of the rank of captain, are specialists in movement control, equipment and transport. Then there was a request for signals and logistic support for the United Nations Congo force. On receiving that request, Canadian and United Nations authorities consulted as to the precise needs to be met in the Congo.

On July 28 Canada authorized provision for the United Nations force in the Congo of up to 500 Canadian armed force personnel including a signals detachment numbering some 200, as well as a small Canadian headquarters detachment. Arrangements for sending the selected personnel to the Congo are going forward, and parliament is now being asked to approve the action in this regard.

In response to an appeal for medical personnel to serve in the hospitals of the Congo, the Canadian Red Cross society recruited from Canada two teams of trained medical personnel each composed of one surgeon, one physician trained in tropical medicine and three nurses. All these are French speaking. Both teams left on July 28 and are expected to arrive in Leopoldville today. Further, in response to a request from the secretary general, the Canadian government has placed at the disposal of the United Nations the four North Star aircraft which airlifted supplies to the Congo, for the purpose of transporting supplies and equipment for the United Nations force in the Congo on the shuttle service between Pisa and Leopoldville.

In addition we are acquiring at once two Caribou aircraft from the de Havilland corporation for airlifting supplies to Canadian forces. A third will be made available in September and a fourth in October. The feature of these aircraft is the fact that they can take off from short runways. Even though only two such aircraft are available at the moment, this action will ensure that the Canadian force there will receive proper commissariat assistance.

Furthermore, we are in a position to supply six or seven R.C.A.F. officers to organize the United Nations air transport force. That force is made up of airmen from Yugoslavia, Sweden, Norway, Brazil and the Argentine. In addition to those named, India will provide certain pilots and air force personnel. This country's contribution will total 75 pilots. In order to organize this extraordinarily complex international force into a unified whole the necessary R.C.A.F. officers to whom I have just alluded will be supplied.

That, in general, represents Canada's contribution to the force. What is taking place is, I think, one of the greatest steps forward toward the ultimate establishment of an international force. Indeed, there has never been in all history anything like the force that is now being mobilized from among the various nations that I have referred to, or in all of mankind's march to the achievement of peace in the world. All through modern history hope has been expressed. In the middle ages the international lawyers claimed that the only way in which peace could be achieved would be through a force readily available to meet whatever situations might arise before they expanded to such an extent as to assure the outbreak of war.

The reason the armed forces on foot were mobilized from among the nations I have mentioned was to assure the peoples of Africa, and I think Asia too, that the nations comprising the white race were not, as it were, organized into a group or international organization against the coloured race.

I trust that the house will give unanimous acceptance to the course we have followed, for it represents a major step forward to that day when, wherever difficulties may arise anywhere in the world, as I stated in March, 1945, the nations comprising the United Nations will all make available to an international force whatever is requisite to assure peace.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, hon. members will have listened with great interest to what the Prime Minister has said, both in regard to the resolution before the house and in regard to the background for the action we are being asked to support in this resolution, including something of the history of an international peace force. We on this side of the house would like to comment on both aspects of the Prime Minister's statement.

The resolution states:

> That it is expedient that the Houses of Parliament do approve the participation of Canadian forces in the United Nations operations in the Congo—

In this resolution as I read it, Mr. Speaker, there is no limitation on the nature or extent of that participation, but there is the limitation that the participation is designed to cover Canadian forces in the United Nations operations in the Congo, and cover no other form of assistance that might be required. Notwithstanding that there is, perhaps understandably, no limitation on our participation within this particular category, we on this side are happy to be able to support a resolution of this kind and, indeed the action that has been taken by the government outside the terms of this resolution.

We would say that the course adopted by the government in bringing this matter to the attention of the house in this way is the proper constitutional course to take. Also, in the matter of action that is taken under this resolution in the supply of forces, I take it that the government will table, as would be required under the Canadian Forces Act, any order in council which has been passed putting members of our armed forces on active service for this purpose. I think the act itself—I believe it was passed in 1950—requires that this should be done within 10 days of the action having been taken.

This is a new assignment for the United Nations and for Canada in its participation as a member of United Nations, Mr. Speaker. It is a new assignment as indefinite as it is likely to be far reaching and important, not only in respect of the immediate emergency which has occurred but in respect of the development of the idea of United Nations help of this kind in the future.

We are bound to ask ourselves the question as Canadians, as a member of the United Nations, what are we taking on? Indeed, what is the United Nations taking on? A few weeks' or a few years' assignment? A temporary job in helping to restore order as part of an international police and peace force or a long job, again as a member of the United Nations, to help to administer and assist economically a state of some 15 million people which has achieved its independence in circumstances which are not easy for the people of that state? Indeed, Mr. Speaker, this latter assignment, which is related to though not specifically part of this resolution, may be an even more important and certainly far more expensive one than that which we are being asked to take in the purely police and military side of the undertaking.

The Prime Minister has pointed out that the authority behind the recommendations of the Secretary General of the United Nations, who incidentally has accepted this new assignment in his usual swift, efficient and devoted way, lies in two resolutions of the security council of which all members of the security council, I believe, approved. In any event, no member voted against the resolutions, including the Soviet union which, if it had wished to do so at that time, could have vetoed either or both of these resolutions.

These resolutions provide for the members of the United Nations on invitation from the secretary general—I am paraphrasing one of them now—to contribute forces, peace-preserving forces, for a United Nations contingent to go to the Congo. From what the

Prime Minister read from the second resolution, I think it may be interpreted as providing for other forms of assistance, because it does refer to the technical agencies of the United Nations which the secretary general might call on to help him in this field.

Acting on this authority the United Nations, through the secretary general—my information is only from public sources but I assume it is accurate—and the Congo state have now signed an agreement, of the details of which I have no knowledge, with the U.N., that the United Nations forces will remain in the Congo until the mission of peace has been fully accomplished. That mission of peace may require more than the provision of police forces; it may require the provision of economic and other kinds of help.

I am not quarrelling for one minute with the advisability, the wisdom, of the secretary general entering into this kind of agreement on behalf of the United Nations. It was well that he should have done so, but it does underline the possibly far-reaching nature of the commitments which we are undertaking as a member of the United Nations, and which we should be glad to undertake. I read this morning that the statement covering this agreement had been circulated to the members of the security council by the secretary general himself, and it would be very interesting to know whether this reported agreement has been circulated to Canada which is proposing, and rightly so, to take such a constructive and active part in this operation.

The situation, as the Prime Minister has pointed out, is not an easy one, and in many respects it is a dangerous one. There is the obvious impatience of some elements of the government of the Congo, including, if we can give credence to press reports, the deputy premier, to get the last relic of Belgian authority out of the Congo in the least possible time, to use the United Nations force primarily and swiftly for that purpose and presumably, once that has been done, to get the United Nations out also except in terms of economic and financial help. If this course were followed then, presumably, with the United Nations forces out of the Congo, the assistance given would be under the administration of the Congo authorities.

There is another kind of impatience with respect to the Congo, and that is the impatience of others at the lack of order, the lack of discipline in this new and free state, and some impatience at the administrative weakness of the present government, a weakness which is understandable in the light of the immediate background and the less immediate background of their ascension to power in their own country. So we read even in this morning's paper of rising tensions, of charges that the United Nations forces—I thought the Prime Minister quite rightly referred to one of these this morning—are in danger of assisting in what has been called colonialist intrigues; indeed, are in danger of being accused of complicity in those intrigues.

It is discouraging to hear these reports out of the Congo at a time when the United Nations is moving with speed and efficiency to assist. We also read and have heard reports over the week end of the development of separatism in this country, which has a heritage of tribal separatism, a separatism based on the historical forces of tribalism which, if they prevail, might lead to an even worse disaster than has been the case up to the present.

Then we have the problem of Katanga, the richest and most highly developed part of the Congo, without which it is difficult to see, on the basis of the information I have, how the rest of the Congo could ever become a viable economy without great support from the outside world. So this situation is a terrific challenge to the Congo and its people and to the United Nations and its members. I was reading this morning in the *Globe and Mail* the statement of a United Nations official just back from the Congo, who was quoted as saying:

> The Congo needs artificial respiration. Ninety per cent of the technicians and administrators are gone.

The Prime Minister made some reference to that difficulty.

> The government doesn't work. The railroad doesn't work. Nothing works. And on top of that tribal warfare can be expected at any moment.

I wish this were too gloomy a view of the situation. I hope that what the United Nations has asked its members to do and what they are doing will prevent the realization of this gloomier prediction. Yet it is quite clear that United Nations intervention in the situation was essential to prevent disaster. Those people who sometimes say that the United Nations does nothing except talk, pass resolutions and waste time and money in New York should ask themselves now, what would be the situation in the Congo if there had not been a United Nations to call on in this emergency?

I think all Canadians will be happy to back up anything the Canadian government may do to play our own part effectively in this essential work. That part will require administrative and technical help; and, as the Prime Minister has pointed out, perhaps Canada is in a special position to contribute this kind of help because of the bilingual nature of our population. It is unfortunate

that there is now, so far as I know, no permanent organization in the United Nations which could have moved into this technical and administrative field with a corps of trained international technicians and administrative experts.

I know this suggestion has been made more than once, and this situation does underline the importance of having available not only armed forces for police and peace purposes, but a corps of international civil servants trained to assist in situations of this kind. This will take a long time, but I think it is high time that the process should begin, because the situation which we find in the Congo may well be repeated in other countries which have newly achieved or are about to achieve independence.

There is the other aspect of this matter. We will be asked to contribute a contingent to the police and peace preservation corps. Once again, however, the United Nations has found itself faced with an emergency and the necessity of taking ad hoc action to meet that emergency. How much better it would have been if there had been at the disposal of the United Nations, for immediate use, trained, equipped contingents from the various members of the United Nations. Instead the secretary general, as he had to in 1956, has had to call on those whom he thought were qualified to help and from whom he thought help would be desirable in the first instance, in this case Asian and African countries, followed by help by other countries.

I think probably the secretary general would say that the principles adopted in 1956 for the establishment of the United Nations emergency force at that time have been of great assistance to him upon this occasion, even though he had to operate in a rather different way, because at that time the assembly did pass resolutions which established the principles for the organization of a force of this kind, and also laid down the principles regulating the relationship of such a force to the peoples and governments which they were seeking to assist. But this situation does underline again the necessity of pressing ahead at the United Nations for some kind of an organization which will make unnecessary in the future this kind of improvised action.

I do not mean by that—the secretary general has already expressed his own doubts about this—a permanent United Nations police force established in some particular place or places under direct United Nations control. I mean having forces available in the various member middle powers and smaller powers, kept in those countries but earmarked for United Nations use; trained for that purpose in the administrative, technical and signals field as well as in the combat field, and ready to move at a moment's notice on the authority and approval of the government and parliament of the country concerned, if it happens to be a free democracy.

The Prime Minister talked about the desirability, which was recognized years ago by him and many others, of some form of international peace and police force behind the United Nations Charter. Indeed, the idea of an international force behind international law goes back to the very dawn of history. It has been an ideal which has inspired many men all through history, from the days of the Greek leagues to the holy Roman empire, through the middle ages with the grand design of Henri Quatre, on to the holy alliance of the nineteenth century, a kind of autocratic expression of the whole idea, until we reach the league of nations.

There was a clause in the league of nations covenant which did provide for the implementation of such force behind international law, in the development of which I must confess Canada did not play, in those days—and I am now talking about the 1920's—too creditable a part. We were more concerned at that time with keeping out of trouble than trying to prevent trouble, for reasons which seemed very sensible at that time. But looking back now at the trouble we have got into since 1914, it does not seem to be so wise.

When the United Nations charter was drafted at San Francisco, every speech made there, and I sat through a great many of them, was about the necessity of getting behind the charter and building on the mistakes of the old league of nations and its covenant; making sure, once again, that if we were in trouble we would have this kind of force. We made our own share of declarations at that time, for that purpose.

As a result of those speeches and those ideas, there were included in the charter provisions which seemed to be a recognition of the mistakes that were made in the league covenant. Provision was made in the charter for an international force which would have been strong enough not only to put an end to brush fires and to police situations with which we are confronted today, but an international force which would have been strong enough to prevent wars, because it would have included contingents from the great powers. There would have been an international force on a grand scale.

But the cold war began, and an international force of that type became merely a provision in a document about which very

little was done, if anything, to implement, except to set up in New York a military commission of the permanent members of the council, which is still in existence and which I gather meets formally every month or two.

The cold war made that kind of international force impossible. During these years, after 1945 and in the 1950's, a great deal of attention was given at United Nations to finding some other kind of force which would take the place of the one that was so abortive in the charter, because it included only the permanent members of the council who could call on others for help if necessary. I remember that at the United Nations the Canadian delegation took a very active part in the resolutions that led to the establishment of a peace observation group, and I remember the Canadian delegate, at the very earliest assembly, making a plea for the building up of this kind of international peace and police force.

The Prime Minister has referred to the difficulties in the Middle East before they broke into war in 1956, and he mentioned the desirability in the spring of 1956 of establishing an international peace force to assist in the maintaining of peace in that very dangerous area. I recall very well the discussion on this idea that took place in the committee of external affairs, when it was pointed out that the Canadian and other members of the United Nations had already taken up this question of a peace and police force for the Middle East, and that it had been rejected at that time both by the Arab governments and the government of Israel, as well as by officers of the United Nations, as premature and not practicable.

So there was the situation when the crisis and the necessities of 1956, in the autumn, made necessary that kind of swift action which should have been provided for months and years before. If at that time there had not been this crisis, it is very doubtful whether the United Nations emergency force would have been set up. Also if at that time delegations at the United Nations assembly had voted against the inclusion of this item on the agenda, on the motion before the United Nations assembly, there could not have been any international force. Furthermore if then there had not been approval by the United Nations assembly of the action taken, for reasons which seemed perfectly good to them—reasons advanced by the governments of the United Kingdom and France—for intervening, there would not have been any United Nations emergency force and we would not have had anything on which to build in 1960. It was the establishment of the United Nations emergency force which has at least given us a foundation on which we could build in 1960.

Mr. Diefenbaker: What about the Korean crisis?

Mr. Pearson: The Prime Minister says, what about the Korean situation. That was another kind of intervention. That was United Nations intervention but not the kind of intervention through an international police and peace force which I am talking about, because it was an intervention made possible by a decision of the security council, such as was visualized in San Francisco in 1945, but which was made possible only because the Russians did not turn up at the security council meeting. If they had the opportunity over again they would veto any action of that kind. It was also a decision to put the United Nations force under the administrative control and military direction of a single member of the United Nations, the United States of America. It was also action taken in Korea after there had been a declaration, accepted by the United Nations, of aggression in Korea. So it was not quite the same, either in origin or in the action taken, as the decision in 1956, which did set up a United Nations emergency force under United Nations control consisting of contingents from the middle powers, which is the way I suspect it will have to be done in the future in this kind of situation.

Since 1956 there has been very little progress indeed in building on this foundation for the establishment of a permanent United Nations emergency force, for reasons which I do not need to go into now. But I think the situation in these early days underlines again the desirability of doing this on a permanent basis, and it emphasizes the misfortune of the United Nations in not being able to make any progress in the last two or three assemblies.

The Prime Minister mentioned the attitude of the Soviet union toward what has been proposed by the United Nations to assist in this Congo situation. Experience in the last 15 years has shown beyond any possibility of doubt that communist governments will not only refuse any constructive support for an initiative of this kind through the United Nations, but that they will do their best to confuse and frustrate the purposes of the United Nations and misrepresent those purposes in the eyes of the public of the country where the United Nations is intervening, in this case the Congo. Anarchy is their opportunity and chaos is their ally. Perhaps that helps to explain the sinister—I do not

think that is too strong a word—statements which have come out of Moscow in the last few days.

The Soviet union began to show its hand in this matter after it had given us at least some reason by accepting the original security council resolution to believe that it might take a different and more constructive stand. It has shown its hand, as the Prime Minister mentioned, by talking about aggression on the part of the NATO forces in the Congo, a statement which of course is a cynical falsehood. The United Nations purposes and the purposes of those members of the United Nations which are participating in this operation are above reproach, and I am sure all of us hope that the action of the United Nations will be as effective as its purposes are good.

We know that Canada can play an important part in this action. We learned the other day that the nature of our contribution at the present time—I am talking now about the military side of it—is to be the provision of administrative, technical and headquarters personnel. That is what was required of Canada in 1956, and there were some members of this house who made not very flattering observations at that time, about that kind of participation. But this would appear to be the way in which Canada can serve best in this kind of United Nations operation, at least at the present time. Perhaps our experience in the United Nations emergency force, as indicated to the secretary general and those advising him on those matters, shows how Canada can best serve in this situation by providing personnel on the administrative side, the signals side, the technical side, the liaison side and the headquarters side. If it had not been for that kind of work by the Canadian forces in the Palestine United Nations emergency force it would have been infinitely more difficult for that force to be as successful as it was. The Canadian forces in UNEF, as I am sure the Canadian forces will be in the Congo UNEF, were the backbone of the force owing to the essential nature and efficiency of their contribution to its operation.

Mr. Speaker, the Prime Minister mentioned something about the visit of the premier of the Congo last Saturday and the request for assistance which he made, I think the Prime Minister was very wise indeed in emphasizing that while we want to do everything we can, both in the policing and economic fields as well as in the administrative field, to help this new and struggling state, this must be done through the United Nations. Not only is that the best way for us to participate; it is the best kind of assistance from the point of view of the Congo itself, because it will then be above all form of political suspicion, and I hope no member of the United Nations will emphasize direct assistance at the expense of United Nations assistance.

In short, Mr. Speaker, I hope we will do what we can in this field of developing a police and peace-preserving force, and I hope the Prime Minister's desire that this assistance through the United Nations will prove to be possible. We are happy on this side to support this resolution.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, after the order of business was announced on Saturday afternoon last the hon. member for Vancouver East (Mr. Winch) suggested that this resolution be dealt with first this morning. In my opinion the ready acceptance of the Prime Minister and the hon. member for Bonavista-Twillingate on behalf of the official opposition of what I consider a most appropriate and happy suggestion symbolizes the unity of the members of this house in dealing with this important matter this morning. A question affecting a neighbour concerns the whole world and should be discussed prior to dealing with, shall I say, the vicissitudes of our domestic house.

I listened with great interest to the explanation of the Prime Minister with respect to the resolution which he presented to the house; that it was based on previous resolutions adopted by the United Nations security council and on procedure and practice established by the previous government. I can not help thinking—I do not know whether it is because I am growing somewhat in years—of days gone by when I hear problems of the present being discussed. I remember that someone said, and if I am correct it was a French writer, that to understand the world is wiser than to condemn it; to study the world is better than to shun it; to use the world is nobler than to abuse it; to make the world lovelier, better and happier is the noblest work of man or woman.

I think this resolution introduced by the Prime Minister this morning provides Canada with an opportunity to contribute her share within the framework of the United Nations effort toward making this portion of the world, a somewhat unhappy portion of the world at the present time, a lovelier and happier place in days to come. For that reason we in this group give our wholehearted support to this resolution.

However, the first essential is peace. We cannot carry on administrative practices or social undertakings without law and order.

So the first thing we have to establish is peace, and in my opinion peace is the golden wisp that binds the sheaf of opportunity for the people of the Congo, and we are doing what we can by adopting this resolution resolution unanimously to build that wisp. In my opinion, by this action the parliament of Canada is making quick use of the opportunity available to it in this extraordinary situation in the Congo and of the machinery at hand to demonstrate our readiness to accept our responsibility as a member of the United Nations.

The members of this group are of the opinion that the Belgian government is to a great extent responsible for the present unfortunate situation. I remember as a boy when the conscience of Europe was shocked by what was known as the Belgian atrocities, but that situation was remedied and the people of the Congo have received many economic advantages as a result of the development there. I say at this time on behalf of this group that we consider the government of Belgium to be responsible to a great extent for the present state of affairs, because there was no preparation for independence, no training of people to take over administrative tasks, no training of doctors and all those other persons whose work is required to carry on the activities of a modern state. Possibly there is some truth in the reports over the C.B.C., in our press and in United States and European papers that in some quarters it was hoped that the Congolese administration would collapse and that a Belgian administration would be required to return, together with its civil service and also, of course, its business interest. There may be truth, also, in the other reports that the mutiny at Leopoldville ruined this opportunity. But certainly from a number of reports it is obvious that there was an almost complete lack of preparation for independence.

When I consider this situation I cannot but remember the remarks made before a group of the commonwealth parliamentary association by the premier of Northern Nigeria last winter, when he spoke of that country's coming independence on October 1 of this year. He spoke of his country's long-awaited independence and said they recognized, many of them in Northern Nigeria, that they were not yet fully prepared for independence; that until a civil service staff had been trained and they had men to carry on medical services, this would not be the case. During that short talk to this group in the parliamentary association he paid tribute to the preparation for independence which had been made by the United Kingdom government.

Now the United Nations forces have a tremendous task, but the situation does provide its member nations, and Canada too, with an unusual opportunity of using their forces, both military and civil, in a positive policy for peace.

I see the Secretary of State for External Affairs is looking at me, and I cannot resist quoting a few lines from the *Globe and Mail* of July 30, 1960, because the *Globe and Mail* is a paper which in general supports the policy of the present government—

Mr. Green: Who told you that?

Mr. Herridge: Perhaps I should say that historically it has supported Progressive Conservative policy, but in recent times it has been critical at certain points. It is strange, I think, that in recent months we have so often found ourselves in agreement with the *Globe and Mail* on international affairs. This editorial is entitled "Defence, a Positive Policy". It reads in part:

> We believe there can be a positive policy on defence. We believe men at arms can be employed as effectively in waging peace as in waging war —more effectively, indeed, because the waging of peace goes on all the time, all over the world, while the waging of war is only a possibility. We believe that in Canada's defence program there should be a strong emphasis on the use of troops to prevent wars rather than fight in them. We believe that Canada should play a major role in the formation of a permanent, multi-national police force; and that Canada should be one of the major contributors—of money, material and men—to such a force.
>
> It is a great tragedy, in our view, that Canada is so little identified with the United Nations emergency force now restoring the peace in the Congo. The United Nations action in central Africa precisely typifies the kind of service an international police force, drawn from middling and small nations, can render. It can keep the great powers out of a troubled situation, keep them from directly confronting and threatening each other in that situation, by stepping into the situation itself.
>
> The UNEF is doing this in the Congo. The only trouble is that the African UNEF, like its Middle East counterpart, was hurriedly and belatedly organized to meet a specific situation. What we suggest is a standing United Nations police force, ready to swing into action immediately, anywhere in the world.
>
> But Canada can scarcely crusade for such a force when it has shown so little interest in the Congo action—which secretary general Dag Hammarskjold rightly describes as the greatest enterprise the United Nations has ever undertaken. And Canada can scarcely contribute to such a force if in trying to tag along with the super powers, Canada has ceased to produce conventional forces.

Then it goes on briefly:

> More recently, external affairs minister Green revealed that the United Nations had requested 100 Canadian signallers for Congo service, but that he was having difficulty in finding them.

Mr. Green: May I ask the hon. member a question? Does he think those paragraphs he has just read from the *Globe and Mail* editorial are fair?

Mr. Herridge: Would the hon. gentleman mind repeating his question? I did not hear it.

Mr. Green: Does the hon. member think himself, that the paragraphs he has just read from the *Globe and Mail* criticizing the action of the Canadian government, saying it was not interested in the Congo and so on, are fair comment?

Mr. Herridge: I shall be quite fair in my reply. I do not think it is quite correct to say that the Canadian government is not interested in the Congo. I read that sentence in the context of the whole of the editorial. I do not think it is quite fair to say that the Canadian government is not interested, but I think the tenor of the whole article is that the *Globe and Mail* wishes the government had shown more immediate concern with the situation.

May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. Herridge: Mr. Speaker, when we recessed for lunch to take on some bodily sustenance—there are some who believe that the hon. member for Kootenay West is a saint but even that hon. gentleman requires material restoration periodically—I had just concluded reading some paragraphs from the *Globe and Mail* of Saturday, July 30. I read complete paragraphs, not omitting sentences with which I do not agree, then later explain my disagreement with a certain sentence or certain words. Before I had an opportunity to do that on this occasion the Secretary of State for External Affairs, with out of character impetuosity, asked me a question with respect to one sentence. If I heard him correctly the sentence was:

> But Canada can scarcely crusade for such a force when it has shown so little interest in the Congo action—

The hon. member asked me if I thought that statement was fair. Let me explain. I was going on to say that while I agreed with the tenor of the article, I thought that statement was unfair. However we are very anxious to be sure that Canada is doing her fair share in making contributions of personnel from the armed forces or the civil administration. When the Prime Minister or the minister replies to comments made on this side of the house I trust we will be given an idea of Canada's contribution according to her population as compared with the contributions of other members of the United Nations.

This group was somewhat concerned at what seemed to be hesitation on Canada's part in taking action. We looked for the "ready, aye, ready" attitude especially on the part of this government. The Republic of Ireland has already mobilized and recruited a special battalion for service in the Congo. In this respect Canada is in a particularly fortunate position, the Congolese being mainly French speaking people. We have three battalions of the Royal 22nd regiment stationed at Valcartier, including in their groups a number of senior commissioned officers and non-commissioned officers who have had considerable experience in actions on behalf of the United Nations in various parts of the world. This regiment would be a credit to Canada having won its spurs and laurels at Courcelette in the second world war. We should give consideration to using these French speaking Canadian troops if required. I am not suggesting that this group knows all the background and details but when the minister replies we would like information on this question.

I support the attitude taken by the leader of the official opposition on the organization of the U.N. force. We do not support a centralized United Nations police force, but support the idea of trained troops in each country ready to be utilized on short notice in a United Nations police force for any particular service or action. Much more could be done in future than has been done in the past for preliminary staff arrangements and organization so all nations would know how to proceed to immediately mobilize the forces required to meet any particular circumstances.

With respect to Canada's contribution in civil affairs, I wish to quote a brief paragraph from another *Globe and Mail* editorial of today which states that the first task is to restore order so that white and black alike can live in peace. It goes on to say that this presents great difficulties, as follows:

> No less formidable are the civil problems facing the United Nations in the Congo. Practically all the Belgian doctors and nurses have fled the Congo; there is no one to take their place. Technicians, managers and civil servants are needed to take the place of the retreating Belgians. The vacancies cannot be filled with Congolese; in the whole vast country, with its 14 million people, there are only 16 university or college graduates.

This group believes that the United Nations should work for the reunification of the Congo so it can progress to better advantage because there will be a balance as between

various areas in the country, and all the wealth will not be centred in one splinter state.

Mr. Diefenbaker: Would the hon. gentleman permit a question, Mr. Speaker? Would the hon. gentleman suggest that the United Nations force should be used in the event there was anything of a disruptive nature in Katanga, in order to ensure that Katanga would remain within the Congo state?

Mr. Herridge: That is a fair question. Circumstances are so fluid that it is difficult to give a definitive answer. I am content to leave the decision to the secretary general, the commanders and the senior officers of the United Nations.

As a result of lack of training in years past of civil service personnel and all the rest of it, the first thing to be done after peace is established will be the training of administrative personnel. That is the first thing to be done before there can be any development in the country. The second will be the provisioning and training of technical personnel. Then one of the immediate problems will be that of health of the people in this region. As a matter of fact, my recent reading has indicated to me that the question of health is a most serious one in the northern and central portions of Africa. Why? Because so little has been done for those people, although there has been great wealth extracted from the region for many years. I was reading yesterday that the life expectancy in northern and central Africa is just under 30 years at the present time.

Attention should be focused on our out of balance approach to this situation not only in the Congo but in other African states and backward nations. To illustrate, last year the United States spent in the neighbourhood of $40 billion on armaments and contributed $3,500,000 to the World Health Organization. I am not going to lay blame on any one country or the other at this time but this situation must be recognized. We are all concerned in this, and as members of the United Nations we must all share some responsibility. All I am mentioning the figures for is to indicate what one nation can spend on armaments and what it is spending in the development of the World Health Organization, which is the organization that the United Nations will use in the Congo and does use to promote health in other regions of the world.

The other factor that has been mentioned is the cost to the United Nations of U.N. action in the Congo. This is a very important undertaking. In the opinion of the members of this group it is one of the greatest tasks the United Nations has handled since its formation. It may be of some duration. The United Nations may be required to stay in the Congo for some years, to the advantage of the people of the country and for the preservation of world peace. Anyone who is in the know at all at the present time knows that this is a very serious situation in so far as the western world is concerned. That is why we have to pull our weight, and no nation should shirk its responsibility.

The matter of cost has been raised, and cost must receive consideration. There will be cost to Canada in respect of our forces and in respect of other contributions, and it looks as though the cost will be considerable. We in this group suggest this. Over the years thousands of millions of dollars have been taken out of the copper mines and other mines of Katanga. Today we read—and the Prime Minister mentioned it this morning—that food is one of the immediate problems in the Congo region; that there is a shortage of food in a few days. We are of the opinion, although we are not suggesting permanent confiscation of private property, that the United Nations should take over the rich mining business that now exists and administer it during the tenure of its mandate, and then leave it to the people of the region and the established government at the conclusion of the mandate to decide what should be done with those properties. In the meantime use the profits of these properties to provide the health, technical and other services required by the people of the Congo. Surely we owe that to the people of the Congo who have suffered from this exploitation, possibly one of the worst examples of exploitation in modern colonial history. I think we, the white people, owe that to the black people of the Congo, to indicate our concern for and interest in their future, and our anxiety to make amends for past injustice.

However, regardless of our efforts to establish law and order, peace will prevail in the Congo only as a result of our continuing and united effort to make life worth living for the people of the Congo. That is the approach we have to take. The policy we have to assume in the United Nations is food instead of guns and health instead of disease. Those should be the slogans of the United Nations forces.

As I mentioned before, one of the first problems in these early days is the shortage of food. Let Canadians show their pride in the Canadian contingent to the Congo by acceptance of our full responsibility to the United Nations and to the people of this stricken area. We must do everything possible in my opinion, to inform the people of

Canada of our contingent's activities while in the Congo. Today we meet a growing cynicism, a growing lack of faith on the part of our young people particularly. When this force goes to the Congo, I make the suggestion to the Prime Minister, let us make certain that its activities are made known to the Canadian people; let us see that interest is aroused in the activities of this force, this defence of peace. Let us be sure that its activities are made known to our high school children and to our public school children of an age sufficient to understand. Let us speak with some pride of our participation in this organization; let us have a continuing interest as the result of information by the government of Canada given through the press and other agencies. We must arouse public interest and pride in our participation in this very important work which I am quite sure many people do not fully appreciate at the present time.

This latest task, Mr. Speaker, of our nation and of the United Nations is a key task; it is possibly one of the most important tasks ever undertaken by that body or by its agencies. Canada's record in the Middle East, in the United Nations emergency force on the Arab-Israeli frontier, and on other United Nations teams in other parts of the world is unblemished and is respected everywhere.

In conclusion on behalf of this group I extend best wishes for a successful mission to all the officers and personnel of the Canadian Congo contingent.

Mr. Pearkes: May I ask the hon. gentleman one question before he resumes his seat? Does he subscribe to the quotation he read from the *Globe and Mail* that there was difficulty in obtaining 100 signallers. Because I want to assure him that my department has had no difficulty whatever in getting the number of signallers required from the personnel available. The only delay there has been is in knowing the type of signallers that were required. It is no good sending a radio operator if somebody is required to run a line exchange, and there is no good sending out linesmen if dispatch riders are required. We had to wait until we knew the type of signaller that was required, but there has been no difficulty in getting signallers to go there.

Mr. Herridge: In reply may I congratulate the minister on the excellent tuition he has received from the hon. member for Essex East in making a speech while asking a question.

Mr. Pearkes: I wanted to correct the erroneous idea of the hon. gentleman.

Mr. Herridge: I want to ask a question. Some members of the armed forces have said that to date all they have been issued were their berets and some underwear. The clothing has not arrived. Would that be true?

Mr. Pearkes: The services are all issued with bush clothing.

Hon. Paul Martin (Essex East): Mr. Speaker, the resolution before the house, introduced by the Prime Minister, reads in part as follows:

> That it is expedient that the houses of parliament do approve the participation of Canadian forces in the United Nations operations in the Congo, and that this house do approve the same.

I am assuming for the purposes of the remarks I wish to make that we are talking about the present United Nations operations and the present decision of the government of Canada, in answer to the request of the secretary general, to dispatch certain personnel of the Canadian armed forces, notably, those who have special experience in the matter of communications, that is, the group known as signallers. Anything I say is predicated on that understanding of the character of the resolution.

I well remember the statement made by the Prime Minister in 1957 at the general assembly of the United Nations when he said that Canadian foreign policy was predicated, among other things, upon the commitment, which Canada undertook as a signatory to the charter of the United Nations. That being the case, the remarks made by the Prime Minister on Saturday last, were warmly approved, and deservingly so, because the situation in the Congo now is one that calls for intervention not by any individual state but by the collectivity of states represented by the United Nations itself. Any intervention in that situation on the part of any great power would have been, as the President of the United States himself noted, a dangerous intervention. It may be that the United States, apart altogether from its appreciation of the dangers in the Congo at the present time, was not unmindful of the dangers that could have flowed from their action in 1957 when, apart from any action taken by the United Nations, the United States dispatched some 12,000 marines to Lebanon although I admit in answer to the request of the president of that country.

I believe the government has taken a sound course in proposing, as all speakers thus far have supported, that this is an action in which only the United Nations can take part. Only through collective intervention would it be possible to answer the charge, irresponsibly made, that this is an effort to bolster up the colonial power. This action on the part of the United Nations clearly is no such thing.

In the first part of his statement this morning, the Prime Minister referred to the

two basic resolutions of the security council, that of the 14th July and the other of the 22nd. The first resolution calls on the government of Belgium to withdraw its troops from the territory of the Republic of the Congo. That process is now under way, and to the satisfaction, I believe, of the secretary general. In this resolution, the United Nations also instructs the secretary general to take certain steps, among them the provision by the government of the Congo of such military assistance, as may be necessary until, through the efforts of the Congolese government, with the technical assistance of the United Nations, the national security forces may be able, in the opinion of that government, to meet fully their tasks.

There are two observations I wish to make about this portion of the resolution. In the first place, this is the first time in the history of the United Nations, apart altogether from Korea—which was an action taken by the United Nations following a declaration of aggression by that body—that the United Nations is providing military assistance. No military assistance was provided in 1956 on the occasion of the Suez crisis. The resolution of the United Nations at that time clearly authorized the dispatch of what was called a para-military body, that was to exercise an effort to preserve the peace between Israel on the one hand and the United Arab Republic on the other, through the exercise of what I call the police power.

No such limitation is provided in this particular action taken by the security council. It is noteworthy that the action taken by the United Nations in Suez was an action taken pursuant not only to the resolution of the security council but also to a resolution passed by the general assembly of the United Nations. The resolution of the 14th of July last would, I think, warrant the conclusion that the Prime Minister himself drew, that any technical assistance, which might be provided by this country, would go through the United Nations. I believe this is a wise course for the government to adopt. That would not preclude, of course, any bilateral arrangement that Canada might want to make in the light of later events. But I certainly agree with the position taken by the government, that at the present time the proper way to channel whatever material aid Canada might wish to give should mainly be through the United Nations.

The second resolution of the 22nd July recognizes the Republic of the Congo, and whether that includes Katanga is certainly not clear. However, it is noteworthy that the Republic of the Congo as of that date did include, I believe, the province of the Congo known as Katanga. In any event, the wording of the resolution of the 22nd July, "recognizing that the security council recommended the admission of the Republic of the Congo to membership in the United Nations as a unit", warrants the view that the security council by implication, at any rate, did recognize that the sovereignty of the government of the Congo extended to Katanga.

It may be, however, that the secretary general, who is a very wise, cautious and prudent man, will not seek to rely upon the general character of such a resolution in his effort to see that the trouble in the Congo is not extended, and will seek to deal with Katanga in a manner that will not encourage needless friction between that part of the country and the main part under the government of the Congo itself.

The main resolution also invites the specialized agencies of the United Nations to render to the secretary general such assistance as he may require. That too would seem to confirm the view, taken by the Prime Minister, that whatever material and economic aid is extended should be through the United Nations or its subsidiary bodies. However, I would simply point out that it may be that the international development association, which we approved in the house this session, will be one of the agencies by which in the ensuing period some assistance could be given by countries which wish to extend capital at satisfactory rates of interest in a manner not possible under the existing terms of the international bank's functions.

There is another basic document which I think should be referred to at this time, and that is the agreement announced in yesterday's New York *Times*, between the government of the Congo and the United Nations, presumably signed for the United Nations by the secretary general and by the responsible representative of the government of the Congo. It is, I think, a very basic document, because it clearly establishes that as far as the United Nations is concerned its presence in the Congo is at the invitation of the sovereign power. In clause 1 it is observed:

> 1. The government of the Republic of the Congo states that, in the exercise of its sovereign rights with respect to any question concerning the presence and functioning of the United Nations force in the Congo, it will be guided, in good faith, by the fact that it has requested military assistance from the United Nations and by its acceptance of the resolutions of the security council of 14 and 22 July 1960—

So the United Nations is there, not for any purpose of aggression, ridiculous as that charge may be, but under duly constituted authority pursuant to those sections in the

charter of the United Nations which empower the security council to act in matters that threaten the peace, or where the peace is actually in danger.

This is, I believe, the most important single act taken by the United Nations up to now in dealing with situations that threaten the peace. That may seem to be too general a statement in the face of Korea, but I would simply point out again that Korea was a situation in which there was actually war on the part of the members of the United Nations who supported the declaration of aggression against the communists of north Korea.

This is the first major testing ground where the United Nations is prepared to dispatch armed forces of a military character. The United Nations emergency forces in the Middle East are not of that character; they are specifically referred to as a para-military body. The United Nations observation group in Lebanon was merely an observing group, and the United Nations supervisory force under General Von Horne in Jerusalem is merely a body that exercises police power in its purpose of maintaining peace between two contiguous countries.

All we can say is that there is no violation of the charter of the United Nations in so far as article II(7) is concerned. This is not an intrusion by Canada, or by those other nine nations who are participating in the United Nations forces in the Congo. This is, by no stretch of the imagination, a violation of the domestic jurisdiction clause, because we are in there as a result of the invitation of the sovereign power. It may be that the question of Katanga will have to be dealt with again by the security council, or it could be that the issue arising out of the dispute between that province and the parent body will have to be determined by the courts. In any event, it is clear that whatever action has been taken by the United Nations thus far cannot be regarded, I believe, as an attempt to prevent one substantial body of opinion in a given national state from asserting the traditional right of self-determination recognized in the charter of the United Nations.

It is significant that in the matter of the two resolutions to which the Prime Minister made reference, and which brought comment from me, the Soviet union voted affirmatively. That represents a different position than was present, of course, in certain other situations in the past, all of which serve as precedents for the gradual build-up of experience in the United Nations toward what ultimately must become, I believe, the normal role of that body, namely to try and keep the peace through the instrumentality of the collective will rather than through the instrumentality of any given nation.

There are now some 10,000 soldiers, wearing nine different uniforms I believe, in the Congo; and it is to the credit of the United Nations, to the credit of its officers, and notably the secretary general, that this organization has been effected in such a short time. The command has been given to General Von Horne, a distinguished Swedish soldier who has had great experience with United Nations troops, particularly in Jerusalem, operating both in the Gaza strip and in Israel.

It is significant that he is reported as having said that he has not yet been able to set up an effective system of communications between his multilingual forces scattered over an area of some 1,500 miles. So the particular request to the government of Canada at this time, in the face of this statement, seems in my judgment particularly appropriate; because that is the kind of military assistance which at this time is requested by the United Nations.

The Prime Minister, and I think quite properly, this morning spoke of this whole matter as a strong argument for giving to the United Nations the kind of sanctions which were intended when the United Nations charter was first discussed at San Francisco. The fact is that if the necessary sanctions have not been provided, the fault must largely rest with the Soviet union, who have persistently refused to give effect to article XLIII of the charter of the United Nations. But it is significant that the charter of the United Nations, through article XLIII, was never intended to eliminate the necessity of agreement between the member states and the security council in regard to the supply of armed forces from any contributing country. Articles XLIV, XLV and XLVI of the charter of the United Nations clearly, I believe, confirm what I have just said.

But the Prime Minister, of course, is not alone in recognizing the desirability of the United Nations acquiring a strong United Nations peace force, or police force, or a United Nations force, depending on whichever nomenclature one wishes to accept. The Leader of the Opposition in 1957 wrote this in the April issue of *Foreign Affairs:*

> Are we to go on from crisis to crisis improvising in haste? Or can we now pool our experience and our resources, so that the next time we, the governments and peoples whom the United Nations represents, will be ready and prepared to act.

His views are supported by some very eminent people who have had considerable experience in the field of foreign affairs, among them the former foreign secretary in

the United Kingdom, Mr. Selwyn Lloyd, who said in an article written by Mr. Leslie Munro at page 210 in *Foreign Affairs* of January, 1960:

I have realized that it is a topic upon which one must carry with one a consensus of world opinion. The realities impose upon us the necessity to hasten slowly. I understand the limitations. It could not be a fighting force. It could only be put into position by a decision of the United Nations. Its deployment would depend upon the agreement of the countries concerned. I also acknowledge the practical difficulties.

Then he goes on:

I hope that during this assembly some indication will be given of the views of other governments upon what I have been saying.

Then Sir Leslie Munro goes on to say:

Mr. Lloyd seems to have adopted the proposal of Mr. Lester Pearson in the article I have mentioned, when Mr. Pearson suggested that "member governments, excluding the permanent members of the security council, should be invited to signify a willingness in principle to contribute contingents to the United Nations for purposes that are essentially non-combatant, such as, for example, the supervision of agreed cease-fires and comparable peace supervisory functions."

It may be that the kind of force Mr. Lloyd is speaking about and about which the Leader of the Opposition spoke is not precisely the kind of force that the United Nations through the security council decisions has asked Canada and other nations to provide. When I said Mr. Lloyd and the Leader of the Opposition, I meant to include also, of course, the Prime Minister, who has undoubtedly shared with these two gentlemen the view that the United Nations must build up in the form as suggested those forces which could in due course be used by the United Nations for dealing with particular situations.

The difficulty of realizing the kind of force that the Leader of the Opposition had in mind is reflected in the attitude taken in 1957 by Mr. Krishna Menon, the minister of national defence for India, and the attitude of other countries which regarded the particular effort as one that had implications with which they were not at that moment prepared to fully concur.

So I believe that this action represents the most important single act taken by the United Nations, apart from Korea, which was of a different character. In that case there was an act of war based upon a declaration of aggression, and it seems to me that the only precedent for the kind of action that is being taken today, particularly on the economic side and on the side of trying to bring stability to a government at the invitation of that government, was the kind of action taken in the early twenties by the league of nations when that body stepped in and effected a rehabilitation after the financial collapse of Austria. So we may today, perhaps to an extent greater than our anticipation, be dealing with one of the fundamental developments in international organization, and we hope in the maintenance of peace in the world.

I said at the beginning that this resolution is of a general character, and not being able to foresee the events which could arise in the Congo, in Africa, I believe it is our responsibility in this house to anticipate in the light of our constitutional responsibilities what situations could confront us and make sure that in consultation we will not in any way be dissipating our powers.

The Prime Minister was right this morning in saying that a decision of this character was one which in the first instance must be made by the executive, by the cabinet. Only the cabinet, under our form of government, can be presumed to be informed of all the facts involved, and it is right for the Prime Minister to say that the government takes this decision and then comes to parliament, in accordance with our constitutional practices, to obtain ratification or disapproval of the executive act.

That was the position which Mr. St. Laurent took in November, 1956, when the government of Canada proposed that this parliament should be called upon to support the resolution of the United Nations establishing the United Nations emergency force in the Gaza strip. The words of the prime minister of that day ought, I think, to be on record for our consideration and for notation at this time. I refer to what Mr. St. Laurent said as reported at page 19 of *Hansard* for November 26, 1956, at the bottom of the left hand column. He was referring to an observation made by the then hon. member for Winnipeg North Centre, who had been dealing with the implications of the Canadian Forces Act of September 8, 1950. Mr. St. Laurent went on:

This is at page 494 of *Hansard*, the second column, and it reads as follows:

Then the then prime minister quoted the words of the then hon. member of Winnipeg North Centre:

"From what the Minister of National Defence (Mr. Claxton) has said tonight, and from what has been said previously by the Secretary of State for External Affairs and on other occasions by the Prime Minister (Mr. St. Laurent), I feel they are with me in this, so I do not think I have to argue it. I did think it was possible, however, that the house might be so preoccupied with other matters this session as not to get this issue right into the open and have it made perfectly clear. I hope before we leave—it could be now, or later in this debate, or later in the session, but certainly soon—it will be made perfectly clear just how the matter stands as to the responsibility of the government

to parliament, which is there all the time, but which is particularly clear and important in this matter of putting our forces on active service."

That statement by the then hon. member for Winnipeg North Centre contained the observations of a man who, whatever we may say about some views which he holds and no matter what may be our criticism of those views, nevertheless must be regarded as a man who would share with us a belief in the strength of the United Nations in situations such as the one with which we are now dealing. He was concerned, in recognizing the desirability of giving the United Nations power in the matter, that there should be no delegation by parliament of functions that parliament has no right to delegate.

Mr. St. Laurent then went on:

Well, when that suggestion—I will not say that challenge—was made, I immediately rose in my place and said:

Then Mr. St. Laurent quoted what he said, and it was as follows:

I think the matter should be made perfectly clear at once, so there can be no misapprehension or uncomfortable feeling about it anywhere. When this bill is passed and becomes law it is the intention of the government to comply with the letter and spirit of section 33, in so far as its policy has been announced with respect to Korea.

Then Mr. St. Laurent continued:

Section 33 is the section that provides that if an order in council is passed, as the section authorizes in express terms, putting our forces on active service parliament, if it is not then in session, will be called within ten days to deal with the matter.

Then Mr. St. Laurent continued his quotation:

"The intention of the government is that if any other service should be required of this special force, which of course is not being created solely because of the Korean incident, if any police action, for instance, that has a warlike character should be required of it elsewhere than Korea, the government would of course have to make its decision, but it would immediately call parliament, make that decision known and leave it to parliament to approve or disapprove of it. I think that is the only way the Canadian people would feel they were getting the protection they expect from the representatives."

And then further on page 495:

"If anything else should be required at any future time in order to carry out similar commitments, the government of course would have to take the responsibility of making its decision, but would certainly have to place itself in the hands of parliament within the ten-day period for ratification or disapproval of that decision."

The course the government has pursued in this matter is precisely that. That is why the Leader of the Opposition said this morning that the course taken by the government, in accordance with our traditional practice, was to be commended. I refer to these words because I want it clearly understood that so far as I am concerned the resolution which is properly now before the house will always be considered in the light of what our constitutional practice is, a practice which the Prime Minister himself has recognized.

The Prime Minister this morning was anxious, I am sure, to establish what I, certainly, and I do not believe anyone else really controverts, namely that as a supporter of the United Nations—and he has shown that—he wanted also to establish the fact, as we all do, that the United Nations in its evolutionary process of becoming an important instrument for the preservation of peace in the world, must have behind it the sanctions to make its work effective, particularly in specific situations. I agree with the Prime Minister, and the Leader of the Opposition stated this this morning, that the reservations made about article X, for instance, of the covenant of the league of nations, perhaps especially in the light of events today, were not the kind of reservations which were calculated to give the league of nations the potential strength its authors intended.

The Prime Minister referred this morning to some remarks of his which will be found at page 162 of *Hansard* for the first session of 1945, when he said as reported at the top of the right hand column of that page:

Will Canada become a leader among any nations if the policy she adopts is not to allow any of her manpower to be sent beyond the confines of the dominion without parliamentary sanction?

In fairness to the Prime Minister I do not want those words to be interpreted as meaning that he does not approve of the kind of action which he himself has initiated in this instance. I take it he was advocating there the desirability of a United Nations force which would impose sanctions to achieve its purposes and ends.

Mr. Diefenbaker: Read on.

Mr. Martin (Essex East): The Prime Minister asks me to read on, and I do so:

In other words, unless provision is made for each nation to enter into agreements as to the extent of the contribution that it will make to the central organization.

I thank the Prime Minister, because I think that does clearly modify the interpretation which one could have placed on his words. This agreement he had in mind would, I hope the Prime Minister will agree, be an agreement that in any event would be submitted to parliament for ratification, just as the particular act that we are dealing with now has been referred to parliament.

I do not know whether the Prime Minister mentioned it this morning, but at page 163 he is reported as quoting the words of the

then prime minister, Mr. King. In the left hand column on that page hon. members will find these words:

> As they stand, the acceptance of the proposals would in no way commit Canada to send forces beyond Canadian territory at the call of the security council. If any such commitment were sought, it would be embodied in a later agreement, freely negotiated by the government of Canada, and coming into effect only after it had been approved by parliament.

Then the present Prime Minister went on to observe:

> With that statement I am not in disagreement in so far as it requires that this agreement, like any of the other kind, under the proposals, must be presented to parliament.

So the Prime Minister would seem in this particular instance to share the view I have stated about the effect of the resolution with which we are now dealing; that if the situation in the Congo should develop —and we all hope it will not—into more substantial and dangerous proportions, any act which in the first instance must be taken by the government will not be taken without parliament being given the fullest opportunity of considering the nature of the obligation. I am not now referring to technical assistance. I am not now referring to economic assistance. I am referring to action which would involve the use of forces on active service outside the territory of Canada.

This does not mean I am not in favour of fully supporting the actions taken by the United Nations. I subscribe fully to what has been done, and if the United Nations should determine that in the interests of stability in that country, in the interest of world peace, there is no course open other than that member states should contribute in various ways best thought to deal with the situation, there will be no hesitation as far as I am concerned about doing so, and I am sure this would be the view of this parliament and of the people of our country.

The fact is that whether we like it or not there are evolutionary processes going on and, in the case of Africa, processes which we asserted for ourselves at one time in our history and which we must say cannot be denied to others. What we do want to see is that in the realization of these rights nothing is done to endanger the peace of mankind or to further the aggressive tendencies of any country which does not subscribe to the basic peaceful purposes of countries such as Canada. We want to give the United Nations every support we can in the interests not only of building up through a specific mechanism a system of world order, but as the only means in our interdependent world whereby we can contribute to the establishment of peace.

That cannot be done by private intervention, whether the private intervention of a great power or of a series of small powers. It can only be done, it seems to me, through the mobilization and exercise of the conscience of mankind as represented through the United Nations. That being the objective, I hope I correctly interpret the resolution which is now before the house.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the resolution before the house has been dealt with very fully and adequately by the hon. members who have already spoken. I do not intend to trespass on the time of the house for long, but there are two points with which I should like to deal.

The first has to do with the place of the United Nations in what has been taking place in the Republic of Congo. For me, the actions of the secretary general and of the United Nations are extremely significant. I agree with the Leader of the Opposition when he said that there has been a new and long forward step taken in these particular actions.

The appeal to the secretary general was made by the Republic of Congo on July 12, which is not quite three weeks ago. On July 14 the resolution was adopted which was read this morning by the Prime Minister, and which in substance called for military assistance and also for technical assistance. It is almost unbelievable that within such a short space of time there could be thousands of troops serving under the United Nations flag actually on the spot in the Congo.

There was some suggestion by the hon. member for Kootenay West that Canada might have sent a battalion. The situation is that the secretary general—and very wisely, I think—decided that the troops to go in the first place should be from Africa. This is one of the finest features about the whole action taken by the United Nations.

For in addition to getting troops into the Congo, the United Nations has been successful in having foodstuffs flown in, and is gradually providing administrative services for the new nation. I thought a listener might have taken the inference this morning from some of the remarks made that the United Nations has no administrative machinery available for a crisis of this kind. The fact is that there are several thousand international civil servants under the United Nations. From my experience in New York last year I know they are internationally-minded. They do not serve in New York as Canadians for example on the United Nations staff. There has been built up in that staff a United Nations loyalty. Many of these men have been

used in this crisis. Take, for example, Dr. Bunche. He was in Leopoldville within a matter of hours, and has been doing splendid work there ever since. There are a number of others from the United Nations permanent staff who have been participating in the actions taken to meet this problem which arose so suddenly.

At the present time the United Nations is organizing technical assistance for the Congo, and I understand has almost completed a plan under which it will be possible for member nations such as Canada to make a contribution which will have the effect of building up proper technical assistance for the Congo. At the present time the secretary general himself is in Africa. He has had conferences with members of the government in Leopoldville. Before that, on his way to Africa, he conferred with members of the Belgian government. I believe that the United Nations, by the actions it has already taken and is in the process of taking, may very well solve in 1960 the most difficult problems arising in Africa. The British and the French have been able to launch independent nations on that continent with great success, and now the actions of United Nations may largely round out the picture and make it possible for that continent to make progress in the way we would like to see it done. It just may be that this test which the United Nations has been facing so successfully will be the turning point in the whole process of establishing new independent nations in the world.

One other subject with which I should like to deal for just a few minutes is Canada's part in this whole crisis. The hon. member for Kootenay West took some comfort and relish from reading editorials from the *Globe and Mail*. I do not take quite so much comfort from their editorials these days. However, I noticed that the official opposition did not quote them; they know better.

I suggest to hon. members of the house and to the Canadian people that Canada is playing a greater part than any other nation in maintaining and building up the peacekeeping machinery of the United Nations. So many Canadians are so extremely modest and bashful about Canada's role in world affairs. They seem to take the attitude that everything their country does is just not as good as what every other country is doing, and that there are so many ways we could be improved. On the whole they suggest that we should be a little ashamed of ourselves, and all that sort of nonsense.

We have to have faith in Canada, and we have plenty of reason to have faith in Canada in so far as her relations with the United Nations have been concerned from the very start of that great organization. We have roughly 900 young Canadians with the United Nations emergency force in Palestine, the second largest contingent in that force. No other nation with any large number of troops there has undertaken a second role in the Congo. The Swedish troops have been moved to the Congo from Palestine on a 30-day basis. This is not a new contingent from Sweden but is a temporary transfer of the battalion from Palestine to the Congo. Ireland has troops in the Congo but, of course, she has none in Palestine.

Canada is involved in this business more deeply than any other country in the world. This is true also of the members of our Department of National Defence and of the Department of External Affairs. We are participating in the various truce organizations and commissions in southeast Asia, Israel and in other parts of the world where Canada has or has had young men taking part in work, in effect, for the United Nations. We have more trained men in that category than any other nation. This is a role which we can fill very well and which we have filled with great success. These young men have brought great credit to our nation. I am sure that will be the case with the young men who go out to the Congo within the next few days.

Canada stands firmly behind the United Nations. I repeat, Canada is doing more today than any other nation in the world to help support the peace-keeping efforts of the United Nations. We are deeply interested in a United Nations force. Eventually I would hope that some sort of United Nations standing force can be devised. So far there have been many difficulties which have made it impossible to complete such a program. For example, take this Congo situation. If there had been a standing force of the United Nations it certainly would not have had sufficient African troops in it to enable the secretary general to send several thousand Africans, as has been done within the last two weeks.

The Leader of the Opposition suggested today that member nations should have forces in being earmarked for service under the United Nations, just as we have had one of our regular army battalions allocated for that particular work. This, of course is a good idea; but circumstances vary so much that Mr. Hammarskjold has not thus far considered it practical to have a standing force for the United Nations. Who could have foreseen that trouble of just this kind would have arisen in the Congo? I do not think anyone in this house would have been able to sit down six weeks ago, or certainly six months ago, and work out a plan for a United Nations force to meet a crisis that

was likely to arise in the Congo. I merely point out these facts to show that the problem is not one of people wanting to have a United Nations force, but is one of working out the details. Mind you, I hope that eventually this will be done.

I am very grateful, Mr. Speaker, to have the unanimous support of the house for this resolution. I am confident that there will also be support from coast to coast in Canada, and I believe Canadians can look to the future of this force with considerable optimism. So far the United Nations has been immensely successful in what it has tried to do to meet the situation in the Congo, and I see no reason why that success should not be continued; provided, of course, that the Soviet and anyone else who is trying to interfere will just not meddle and will leave the United Nations to work out its own plans.

Some reference has been made to Katanga province. This is the most difficult feature of the whole situation. Law and order are prevailing in that province and apparently have been for some time. There seems to be quite a strong movement for secession from the Congo republic, and the question of self-determination arises, as the hon. member for Essex East rightly pointed out. This is a particularly difficult problem and the United Nations has made it clear that there will be no interference with the internal affairs of the Congo. For example, the statement of principles governing the use of the United Nations force in the Congo was made public by Mr. Hammarskjold on July 18, and we find this with regard to interference in the internal affairs of the Congo:

> Likewise, it follows that the U.N. units must not become parties in internal conflicts, that they cannot be used to enforce any specific political solution of pending problems or to influence the political balance decisive to such a solution. It is only on this basis that the U.N. can expect to draw on member states for contributions in men and material.

We had a request by cable about two weeks ago for recognition of Katanga as an independent state and I believe a similar request went to quite a few other countries. I explained to the house subsequently that Canada had not replied to that request. We do not believe that we can help work out this problem by getting involved in it under present conditions. Mr. Hammarskjold, as I have stated, is now in the Congo or will be back within the next day or two, and is certainly well aware of the nature of this problem. I am hopeful that it will be possible for him to work out a reasonable solution. No one knows just what type it will be. Perhaps a confederation will be established in the Congo rather than a unitary state such as they now have; but Canada has felt that her wisest course with regard to this particular aspect of the Congo problem was to refrain from making statements at a time when conditions were as inflammable as they are at the present time.

Mr. Pearson: Will the minister permit a question? Notwithstanding the fact that this Congo operation is being conducted under the authority of a resolution of the security council, does he not think it would be helpful to have an advisory committee of participating governments helping the secretary general in working out the principles and procedures required, a committee such as was so effective in connection with the United Nations emergency force some years ago, and on which Canada would be represented?

Mr. Green: There has been no suggestion as yet, Mr. Speaker, that a committee of that kind should be set up, but it does seem to me that it would be very much worth while, and Canada would certainly be on it if for no other reason than the fact that we shall have forces actually in the Congo.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: I must inform the house that if the Prime Minister speaks now he will close the debate.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not intend to go over ground already covered. Naturally I am pleased with the unanimity of support given to the motion. However, there are one or two observations I think I should make arising out of an apparent conflict in points of view regarding Katanga, as expressed by the hon. members for Kootenay West and Essex East.

The hon. member for Kootenay West, if I understood him correctly, contended that everything possible should be done on the part of the United Nations to keep Katanga in the Republic of Congo. By nodding his head he indicates that I have correctly interpreted his views. On the other hand the hon. member for Essex East, realizing as he must the difficulty inherent in a proposition such as that advanced by the hon. member for Kootenay West, took rather a diametrically opposite stand. Personally I believe that if the United Nations, either directly or indirectly, were to interfere in the manner necessary in order to attain the objective of the hon. member for Kootenay West, the consequences would be very serious.

Indeed, as the Secretary of State for External Affairs indicated in the course of his remarks a few moments ago, in the statement of principles enunciated by the secretary general it was made perfectly clear there should be no interference by the United

Nations forces with civil government in the Congo. I might also underline that the principles governing the use of the United Nations forces, which were enunciated by the secretary general on the 18th July, are to the following effect:

> The authority granted to the U.N. force cannot be exercised within the Congo either in competition with representatives of the host government or in co-operation with them in any joint operation. This applies a fortiori to representatives and military units of other governments than the host government. The U.N. operation must be separate and distinct from activities by any national authorities.

I feel I should bring that to the attention of the house for the reason that it epitomizes what I believe is a necessary declaration which is inherent in any organization such as the United Nations force. To do otherwise would place United Nations forces in a position of participating in civil disorder within a state, whether directly or indirectly, on the side of either the existing government or conceivably, should circumstances arise, on the side of the forces of a revolutionary government, and of becoming involved in the recognition of that government. It would be a dangerous course to follow. I feel that what Mr. Hammarskjold has set forth in his declaration is the only course that could possibly be accepted if we desire the United Nations forces operating under the direction of that organization to be effective and to be removed from all nationalist considerations.

Second, a question was raised as to the cost. The original estimate by Mr. Hammarskjold was $2 million. He found, however, before plans were very far under way that this amount would not represent even a small part of the actual cost, and the estimate now is that the cost to the United Nations will be $15 million for a period of three months.

The Leader of the Opposition said something this morning about the length of time the United Nations force might be expected to be in the Congo. There have been all kinds and types of estimates up to five years. When one looks at what has taken place in the Middle East, where the issues subsequent to December, 1956 have been less exacerbated than they are in the Congo and yet such a long period of time has elapsed since that force was set up, one can only conclude that if order is to be restored in the Congo, if anarchy is to be displaced, if peace is to be maintained, the period during which the force will be in operation there may be far beyond anything today anticipated.

I should like to make one further reference, and it is not by way of criticism. I deplore anything in the nature of an attack on any country that is friendly to us. I am not here to weigh the difficulties of the past. I recollect the events to which the hon. member for Kootenay West made reference, but from the information that is available I feel there is every indication that the Belgian government through the years has made a worthy contribution in elevating standards in the Congo, and has made available means of transportation far and beyond those existing in many other countries of like physical circumstances. Just a few days ago I had a very similar reaction to attacks made on the President of the United States in his personal capacity. While all of us in the course of debate sometimes go beyond the limitation that each of us should impose upon himself, it is my opinion that as a general rule the best course for nations and for national assemblies to follow is not to place our allies and friends under criticism which cannot have any result that will be beneficial to us or to the freedom for which we jointly stand.

In order to indicate to the people of Canada and to our allies everywhere that unity which has been so apparent here, that realization that each of us is indeed internationally his brother's keeper, I think it only proper that we should have the opportunity of voting on this resolution, to the end that our unity will be a matter of record.

Mr. Herridge: Would the Prime Minister permit one question before the vote is called? Does the Prime Minister consider the present government of Katanga a legal government which represents the will of the people of that portion of the Congo?

Mr. Diefenbaker: Mr. Speaker, there are many elements in that question. I would not want to give an answer to it because any answer I might give would not be based on a full knowledge of the facts and, in any event, if it were it would be presumptuous to make any personal determination.

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

YEAS

Messrs:

Aiken	Bourdages
Allard	Bourget
Allmark	Bourque
Argue	Brassard (Chicoutimi)
Badanai	Brooks
Balcer	Browne (St. John's West)
Baskin	Browne (Vancouver-Kingsway)
Batten	Brunsden
Beech	Cadieu
Bell (Saint John-Albert)	Cardiff
Best	Caron
Bigg	Carter
Bissonnette	Casselman, Mrs.
Boivin	Charlton
Boulanger	

Chevrier
Chown
Churchill
Comtois
Creaghan
Crestohl
Crouse
Denis
Deschatelets
Diefenbaker
Dorion
Drysdale
Dubois
Dumas
English
Fairclough, Mrs.
Fairfield
Fisher
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Fulton
Grafftey
Granger
Green
Grills
Gundlock
Habel
Hamilton (Qu'Appelle)
Harkness
Hees
Henderson
Herridge
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Johnson
Jorgenson
Jung
Keays
Knowles
Korchinski
Kucherepa
Lambert
Legere
Lennard
Letourneau
Macdonald (Kings)
Macdonnell
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
MacRae
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McIlraith
McIntosh
McLennan
McMillan
Martin (Essex East)
Martineau
Matthews
Michaud
Monteith (Perth)
Monteith (Verdun)
Montgomery
Muir (Cape Breton North and Victoria)
Nasserden
Nowlan
Nugent
O'Hurley
Pallett
Parizeau
Pascoe
Paul
Payne
Pearkes
Pearson
Peters
Pickersgill
Pigeon
Rapp
Regier
Regnier
Ricard
Robichaud
Sevigny
Smallwood
Smith (Simcoe North)
Southam
Speakman
Spencer
Stanton
Starr
Stewart
Tardif
Tassé
Thomas
Thompson
Thrasher
Tremblay
Tucker
Villeneuve
Walker
Webb
White
Winch—140.

NAYS

Messrs:

NIL

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

That a message be sent to the Senate informing their honours that this house has adopted a resolution approving of the participation of Canadian forces in the United Nations operations in the Congo, and requesting their honours to unite with this house in the approval of the same by filling up the blanks in the resolution with the words: "Senate and".

Motion agreed to.

THE ROYAL ASSENT

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

Government house,
Ottawa, August 1, 1960.

Sir:

I have the honour to inform you that the Honourable Charles Holland Locke, a judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Administrator of the government of Canada, will proceed to the Senate chamber today, the 1st August, at 8 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be, sir,
Your obedient servant,
E. Joly de Lotbiniere
Assistant Secretary to the Governor General

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

Hon. E. D. Fulton (Minister of Justice) moved the third reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

He said: Mr. Speaker, this bill has received very complete and detailed discussion both on second reading and in the standing committee on banking and commerce, and also in committee of the whole house. Therefore I do not propose at this stage to say anything further, although of course I shall be prepared to reply to any hon. members who may feel they should say something at this stage.

Mr. Pickersgill: There is no reply.

Mr. Fulton: I find that I have for a moment misapprehended the rules of the house. There being no reply on a motion for third reading it is perhaps desirable that I should say a word or two to lay before the house the outline of what this bill will accomplish.

I would list the accomplishments of the bill as follows: first of all, it consolidates and clarifies the definitions which have previously been contained in at least two different places. It does this by bringing under the Combines Investigation Act the definitions which were formerly contained in the Criminal Code. Also, as I have said, it clarifies the definitions of monopoly and combination. This process of consolidation and clarification will, I believe, be of assistance not only to those who have to operate business but also to those who have to enforce and interpret this legislation.

Second, it consolidates all the legislation under one act. It removes from the Criminal

Code certain provisions having relation to this type of trade practice and places them all under the Combines Investigation Act. This is a step which was recommended by the MacQuarrie committee. The legislation clarifies the law with respect to combinations. It does this by making it clear that the per se rule against harmful combination is maintained. By keeping the definition under which the jurisprudence has developed we have maintained that jurisprudence itself. This part of the amendment clears the air with respect to practices which may benefit the economy. This is done in the amending section 32 contained in the bill. There has, of course, been a good deal of criticism with respect to this part of the legislation, but may I remind hon. members that there has been to my knowledge no disagreement with the fact that arrangements directed exclusively toward such matters as the pooling of resources for research and similar matters would produce real benefit to the economy in terms of placing our industry in a position more competitive with that of other countries.

Third, the change with respect to the combination provisions goes on further to protect the interest of the consumer by making it clear what are the harmful effects of combinations which cannot be allowed even though those effects might be accompanied by certain beneficial arrangements such as the one I have just mentioned. So it is a fact that this legislation clarifies the law with respect to combinations and that it would be of great assistance to the economy generally by encouraging those practices which will benefit the economy about which there formerly has been doubt as to their permissibility, while at the same time protecting the economy by making it clear that those beneficial arrangements cannot be allowed to be an umbrella for other arrangements harmful to the economy.

Fourth, the legislation provides the alternative remedy of injunction or dissolution order instead of the sole remedy by way of prosecution leading to conviction now open in dealing with restrictive trade practices. Again this is based on a recommendation of the MacQuarrie committee which made a thorough study of combines legislation and whose report contained a recommendation to the effect that the provision of such an alternative remedy would be of great benefit. The type of case in which this alternative remedy might be used is, of course, the type of case where certain mergers might be concerned or a marginal case in connection with a combination where it is not clear whether or not it comes under the per se rule. In cases such as this the MacQuarrie committee pointed out that the advantages of such an alternative procedure as against the procedure now open to us would be considerable. The committee pointed out that the use of a restraining order has been found particularly useful in such cases in the United States.

Of course, there has been criticism in this house of the provision of this alternative procedure, largely on the ground that it leaves discretion with the minister. It is true, Mr. Speaker, that the minister in the ultimate analysis will be responsible for determining what remedy is used, but that is the kind of decision which ministers are constantly required to make in a responsible system of government. There is nothing unusual or improper in it, and I think it is necessary to dispel the illusion which has been created by opposition spokesmen and others about this matter that the minister is going to be able to make his decisions, and exercise his discretion, in secret without the knowledge of parliament. That is a complete illusion. The minister will not be able to make any such decision without reporting to parliament or being held fully accountable by parliament.

Fifth, the legislation provides an alternative forum in which issues regarding arrangements in restraint of trade can be tried and disposed of. This alternative forum is by way of a procedure to allow us to bring these cases before the Exchequer Court of Canada instead of having to bring them in the trial courts of the provinces as up to now we have had to do exclusively. We believe it will be advantageous to build up a body of judicial experts in this field inasmuch as a great deal of what is involved in cases of this type is concerned with the economic and related effects of these arrangements on the economy generally.

May I point out, however, that with respect to the change that nobody is deprived of any right whatever to have his case tried in the trial court if he so desires. With respect to prosecutions, these can only be taken to the exchequer court by the consent of both the crown and the accused, so the accused is not deprived of his right to trial by jury, if he is an individual, or, in the case of a corporation, of the right to be tried in an ordinary trial court if they wish it. As for the crown, the crown is not compelled to take a case to the exchequer court where the proper remedy is held to be by trial and conviction. This is simply the provision of an alternative forum which should provide a body of expert judicial interpreters of the issues involved in many of these cases, and

it would also provide a more expeditious method of bringing some of these cases to finality.

The next group of improvements I should like to mention—and there are four of these—is in the field of measures to assist small business and the consumer generally. The first of these important amendments is that made in section 34, which makes clear those things which may be done by way of discontinuance of supplies to merchants who are guilty of unfair competitive practices or of practices bordering on the dishonest. A great deal has been said by way of discussion of this particular feature of the bill and many false illusions again, have been created.

In the discussion in committee of the whole house I pointed out what kind of undesirable or unfair trade practices it is that we have in mind in this section and which if indulged in by merchants, would warrant the discontinuance of supplies, and there was not one member of the committee who had any disagreement to offer or suggest that he proposition that if anyone was found indulging in that type of competitive practice it was a perfectly proper and fair thing for the supplier—those supplying him with the goods by which he was carrying out those practices—to discontinue supplying them.

This, of course, will be a very great measure of protection to the honest small businessman and merchant who at the moment finds himself powerless to protect himself against this kind of unfair competitive device, the kind represented by loss leader selling and misleading price advertising, and to whom at the moment no one is able to bring any measure of assistance. As a result of this bill we believe he will find his protection greatly increased.

The next measure by way of assistance to small business is a measure which strengthens the provisions against predatory pricing practices. Those practices are now dealt with in section 412 of the Criminal Code. We have, of course, consolidated that section into the Combines Investigation Act and have strengthened it by the inclusion of a provision which makes it clear that where practices are being followed which have the tendency of eliminating competition or a competitor then the administration, the combines branch, can take action on that basis without having to wait until somebody has actually been driven out of business as is the case at the present time.

The next item in this field is the measure dealing with the question of promotional allowances. In this respect the legislation adopts the views expressed by the Stewart royal commission on price spreads and the views of the restrictive trade practices commission itself. We have adopted the views of those two bodies in the reports that they have submitted as to the undesirability of promotional allowances and by our legislation, I believe we will have done one or possibly both of two things: first, to bring about the elimination of these allowances or, alternatively, if they are not eliminated then the legislation will at least restore a large element of competitive equality as between those to whom these allowances must be given.

Again, under this category of measures to assist small business we have introduced a provision which will establish a penalty against those who indulge in misleading advertising with relation especially to advertising regarding prices. Under this group of four main measures we will, I am convinced, have gone a considerable distance toward protecting the competitive position of the small merchant in our economy. This was one of the deliberate objectives with which we set out to introduce these amendments.

A further provision of the bill, and a very important one introduced more lately than some of the others, is a provision which makes it clear that industry can make cooperative arrangements for strengthening their own and Canada's position in export markets provided those arrangements do not have any damaging effect in the domestic market. I do not think it is necessary for me to elaborate more than was done in our earlier discussions on the necessity and desirability of this provision. I am certain that enough has been said to convince the house that the position of Canadian industry in export trade is becoming increasingly hazardous and difficult as a result of the competitive practices and the strength of the competitive influences being brought to bear against them and that any measure such as this which can ensure that our industry can make its cooperative arrangements in that field without damage to the domestic economy is to the advantage of Canada as a whole. This, then, is a summary of the effects and purposes of the legislation.

I should like to deal for a brief moment with some of the criticisms. The criticisms have been made on the most extraordinary basis that I have heard in a debate in this house for a long time. They have been made on the basis that measures which clarify the law as to what Canadian business may do, measures which improve the position of Canadian business without allowing any unfair or undesirable practices which will damage the economy, are somehow or other to be rejected simply because they were introduced by a Conservative government. The

whole basis of the criticisms of the opposition was on a basis of suspicion, conjecture and the creation or attempted creation of prejudice against this measure because it happens to have been introduced by a government which is Conservative in character.

As I said in moving second reading of this measure, this is an extraordinarily short-sighted policy on the part of hon. gentlemen opposite because as I reminded the house then, and as I should like to remind the house again, it is not as though the country itself had no interest in the welfare of Canadian business. It is a fact that practically every segment of our economy both jointly and severally has an interest in the welfare of business itself.

Men who work have a very direct interest in the welfare of business and in seeing that business is able to provide employment. At times like this when hon. members opposite express great concern over unemployment I have been amazed to find the extent to which for political purposes they are prepared to attack a measure which is designed to improve the position of business without damaging the position of the consumer or of the economy. Again, as I have pointed out, not only do men who work have an interest in the welfare of business but also the Canadian people generally have such an interest. Certainly the economy generally depends to a large extent upon the welfare of business. Indeed, the general revenues of the treasury are dependent to a large extent upon the business which pays taxes.

If, therefore, we can do as we have done here, without holding any special brief for business as though it were an organization that was not subject to the overriding public interest; without holding any special brief in that sense, if we can do as we have done here, introduce a measure which clarifies the law, which makes it clear by way of encouragement that certain beneficial practices can be carried out without danger, thus encouraging our industry to improve its competitive position; if, as we have done, we can introduce a measure which improves and protects the position of the small merchant who is so vital a cornerstone or of a truly free and independent economy; if we can bring in a measure, as we have done, to make it possible to improve the position of our exports on the international markets, and all this while maintaining adequately and absolutely the necessary safeguards for the interests of the consumer and for the general welfare, then it surprises me indeed that the bill would be attacked in the way it has been.

These will be the results of the legislation. These results will, of course, become more and more apparent after the legislation passes, and when as I hope advantage will be taken of those proper arrangements which can be made under the legislation, these results should become apparent. But at the same time it is also a fact that the ability of the administration to deal with improper, unfair and restrictive trade practices which are still prohibited by the legislation will be made easier. The task of the administration itself has been made more flexible through a combination of the alternative procedures that are provided and the alternative forum that is made available.

So that on all these grounds, plus one other which I should like to remind the house of, I commend the bill to the House of Commons for third reading.

That third ground or third topic which I should like to deal with is to dispel the illusion which hon. members opposite have sought to create, and believe have sought unsuccessfully but nevertheless very definitely to create, that somehow or other after the passage of this bill all these things are going to be left to be decided by what has been called the process of private law. In fact, Mr. Speaker, what the opposition invites the house to assume and what they have said there, and particularly with reference to section 34, is that on the passage of the bill all those who are charged at the present time with the administration and the enforcement of combines legislation will, if they do not take leave of their senses, certainly take leave of their sense of responsibility, will lose interest in their responsibility and will lose sight of the fact that it is their responsibility to enforce this measure.

I have pointed out already that particularly in respect of section 34 this bill does not change the law, it merely clarifies it. How then can it be suggested that the law having only been clarified to make clear what may and may not be done, the officials in charge of enforcing it will be any less able or any less interested in enforcing it than they have been up to the present time? Of course, they will be no less able and no less interested. Bear in mind that on every occasion on which one of those practices which it is now made clear may be followed is in fact carried out, then there can still be a complaint made. There may be a complaint by anyone who feels himself aggrieved and no doubt there will be complaints. The limits within which those practices may be carried out are clearly defined in the act and anyone seeking to protect himself or defend himself in the course of the investigation of a complaint will have to satisfy and the same general administrative officers under the same legislation, that in fact he had justification for

taking the action that he did, and that his action did not in fact constitute one of the practices prohibited and still prohibited by this legislation.

Therefore, for hon. members opposite to talk about introducing some sort of private administrative law is nothing more nor less than for them to charge that not only the government but the responsible officials who report to the government, and whose reports when made must be made public, will themselves abdicate their responsibilities. Well, sir, of course, I reject out of hand any such improper assertion, any such improper assumption, and I assure this house that the officers who will be responsible for the detailed administration of the act will continue to administer it objectively, vigorously and fairly as they have done in the past and that the government will expect that kind of administration and itself will give that kind of administration to this legislation.

Therefore, looking at the bill as a whole, I can say safely that it should produce benefits to the economy by the clarification and the consolidation that it represents, and produce very real benefits in terms of strengthening Canada's position in international trade as well as improving the position of our domestic economy; that the measure will be administered fairly and flexibly and is capable of more fair and flexible administration as a result of the amendments; and that finally, while not in any sense weakening the protection of the consumer against the kind of practice which the legislation from its outset has been designed to protect him against, it will in fact improve the position of the consumer because of the direct effect that these amendments will have on their tendency to eliminate unfair competitive devices so as to make it impossible, or at least more difficult than ever for the setting up of monopolies and the elimination of competitors.

Surely, Mr. Speaker, nothing can be more obvious than that if we were to allow unfair practices to continue by which, solely through the power of the purse, the small merchant can progressively be driven out of business and power concentrated in the hands of fewer and fewer people, nothing in the long run could be more adverse to the interest of the consumer. It is in recognition of that principle and of the other principles that I have outlined that these amendments were designed; and it is in furtherance of these objectives that I now move the third reading of this bill in this house.

Mr. McIlraith: Before the minister resumes his seat will he permit a question? In view of the fact that the bill was finally dealt with in the committee stage last Wednesday, why is no copy of the bill available in the house today on third reading?

Mr. Fulton: Mr. Speaker, I am afraid that is not a question I can answer since I am not in charge of the printing of the house. All I know is that I understood that reprints of the bill as amended in the committee were ready and available for distribution. If they are not available I am unable to explain; I am able to express only my regret. It is a fact of which I had no knowledge until this moment, and I regret that, in as much as the order has been on the order paper for some days now, the lack of printed copies was not brought to my attention earlier.

Mr. McIlraith: Perhaps, in fairness to the minister, I should say I discovered that reprints of the bill were not available only when the minister was speaking. We regret this but it is still the minister's responsibility.

Mr. Fulton: It is not, but we will look into it right away.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I was interested in the rather lengthy statement which the minister made. Because of its very nature it took the form of an apology for his entire bill. He proceeded to make what I considered to be a rather unusual and lengthy defence of this bill.

Mr. Fulton: There has been a very unusual and very lengthy attack on it.

Mr. Crestohl: Yet the minister's statement simply confirms the fact that it was a measure which needed, required and called for a lengthy attack and a close examination.

When the minister was making his lengthy defence I was struck by the old proverb "Qui s'excuse, s'accuse". Whoever excuses himself certainly accuses himself. During the entire recital by the minister I considered that one of the most important features or phases of the entire bill had not been sufficiently considered at all, nor had it been adequately dealt with. It is to just that to which I want to direct my remarks.

We heard over 30 witnesses who came before the banking and commerce committee. I classified them according to groups. The first group consisted of the manufacturers, the producers, the distributors and that class of people in our economy who are concerned with profits, with dividends, with earnings, investments, primarily. It is not an offence to be in that category. Profits are a perfectly legitimate thing; dividends are a perfectly legitimate thing, but for purposes of my discussion I want to make that classification. That was one class of witness that came

before us. Then, there was a second class of witness. They consisted of the consumer, the person who is concerned with shopping, with buying, the housewife, the one who is really troubled by prices when they are too high. That is the second class of witness who came before us. My classification includes a third class of witness consisting of students, scholars, professors, economists, university teachers, people who make it their business to study and understand the economy of our country and how it might be affected by precisely this kind of legislation.

So, Mr. Speaker, we have these three categories. The first one concerns itself with production, distribution and sale, and naturally prices and dividends. The second class involves the consumer, John Citizen himself, who is the one who is affected when he has to do his shopping. You have these two classes, one at each end, and in the middle you have the third class involving people who in my opinion have no personal axe to grind. This class includes professors and economists, men who are academically interested in the problem. I like to regard them as a neutral voice in this debate between the two extremes. We have the producer, the buyer and the neutral voice. In my opinion the minister and the government have not paid sufficient attention to the householder and consumer. In fact, they have practically ignored the householder and consumer and have completely ignored what the scholars, the teachers, the thinkers, the philosophers, have said.

I should like to take a few moments to review briefly the highlights of what these people have said. Let me take first of all the consumer, the housewife. The president of the Canadian association of consumers, Miss Atkinson, appeared before the committee, and as found on page 99 of the proceedings of the committee she said:

> The Canadian association of consumers has on numerous occasions, beginning with our original submission in November, 1951, and continuing at intervals up to our latest submission in April, 1960, made representations to officials or ministers of the government, expressing our firm and unqualified opposition to the practice of resale price maintenance in any form or degree.

Here is the Canadian housewife talking and making her position very clear and categorical. Miss Atkinson continues:

> This opposition was and is based on a careful analysis of the fundamental and general consequences of the practice as well as on its impact on the specific interest of the consumer.

She makes these statements after a very careful study of the point of view of the Canadian who goes to a store to do the shopping. Here you have very direct opposition to this phase of the legislation. I should like to read another short paragraph of her evidence in which she says:

> We make no apology for emphasizing the consumer interest since it undoubtedly comes closer to representing the "public" interest than does that of any other group. Our representations have been repeatedly reaffirmed by our provincial and local branches, and by delegates to our national annual meeting from both C.A.C. branches and participating organizations.
>
> We would first raise a question as to the grounds for any amendment of section 34 at this time.

She opposes it categorically.

> In view of the findings of the careful and exhaustive analysis of loss leader selling by the combines branch, which culminated in the report of the restrictive trade practices commission, we fail to understand on what objective facts an amendment is being proposed which will restore in a particularly undesirable form the right of suppliers to withhold supplies from retailers who engage in so-called loss leader selling. Allegations as to the extent and seriousness of loss leader selling should, at the least, be once again examined by the commission before such a crippling amendment is considered.

That is quite emphatic. She went on to say:

> Turning now to the amendments to section 34, it appears, on the surface, that the ban on resale price maintenance is not being eliminated but rather certain pricing, servicing and advertising practices are being brought under a limited control. Closer examination, however, makes it clear that successful prosecutions against dealers who enforce resale price maintenance will be most unlikely if these amendments are adopted.

Later in her evidence she was being questioned and certainly her answers highlighted her evidence. At page 119 there is the following:

> Mr. Crestohl: You are speaking for the Canadian consumers association?
>
> Miss Atkinson: Yes, sir.
>
> Mr. Crestohl: That is a very important source from which this committee seeks information. Somebody spoke before for the retailers and we will have someone speaking on behalf of the wholesalers. The committee appreciates receiving this information. Just how large is this organization in Canada, in numbers? You speak of the Canadian association of consumers, but what does it embrace? . . .
>
> Miss Atkinson, I am quite satisfied that you probably do not have 17 million consumers in your organization, but the committee members would like to feel that you are speaking on behalf of the average consumer across the country. We are interested in your viewpoint because we do feel that the consumer is the person affected by this legislation. You are familiar with clause 34? You said a moment ago that you were familiar with it.
>
> Miss Atkinson: I do not know it by heart, but I have gone over it several times.
>
> Mr. Crestohl: You are aware of the present law without these amendments?
>
> Miss Atkinson: Yes.
>
> Mr. Crestohl: You are familiar that clause 34 prohibits resale price maintenance?
>
> Miss Atkinson: Yes.

Mr. Crestohl: And you are thoroughly in favour of that?

Miss Atkinson: We would prefer that it be continued.

Mr. Crestohl: You would certainly not urge that the section be repealed?

Miss Atkinson: Certainly not.

Mr. Crestohl: And if someone did urge that the section be repealed you would regard it as being hostile to the consumer population of Canada, would you not?

Miss Atkinson: We would consider it very unfortunate. We would consider such a movement to be retrograde. I think that is the word we used in our brief. We would consider it a retrograde and regrettable development.

Here we have evidence from the consumers of Canada. I have not heard that this evidence was considered either by the minister or by the draftsmen of the bill. This is the voice of the Canadian consumer speaking and yet we have had no indication of any consideration of the point of view of the Canadian housewife.

I said that there was a second class of witness whom we heard, the college professors. I think the house should have these facts before it. Here is a class of men who, as I said before, are students deeply concerned with what is going on and who took the trouble to come before the committee. They made certain statements and recommendations. Where in the bill is there any indication that any attention has been paid to the views of these scholarly and disinterested gentlemen? They have no personal axe to grind. Yet the minister went right on almost oblivious to all the evidence. I should like to refer to what Professor Skeoch said. I will skip the introductory part as to his qualifications because I think hon. members will take it for granted that he is well known and well qualified. I should like to read a letter in connection with his evidence. The chairman made this statement:

Before we start on that, I think this would be the best time to mention one other matter. I have received a letter from the group of the economics department of Queen's University, which I think I should read:—

This is the letter:

We, the undersigned members of this department have read the statement to be made before the House of Commons committee on banking and commerce concerning the proposed amendment to the combines act by our colleague, Dr. L. A. Skeoch. We are definitely and decidedly of the opinion that in the main this proposed legislation is undesirable and offends the main principles of the combines act which have been built up over many years. We would like our concurrence and warm support of Mr. Skeoch's statement to be indicated to the committee.

Then the chairman said:

It is signed by C. A. Curtis, head of the department; M. C. Urquhart, professor of economics; David W. Slater, associate professor of economics, and George R. Post, lecturer in economics.

So I say, Mr. Speaker; this is the complete economics department of one of Canada's great universities. They mince no words. And where in the presentation to the house, or included in the bill, was any reference made to the opinion of these economists? These are the men who guide this country in matters of economics. They are free of politics; they are concerned with the lifeblood of our country, and are not placing emphasis on the political implications.

This is part of what Dr. Skeoch continued to say, at page 435:

If it is desired to maintain the same tests of restrictive agreements as are now in effect, the simplest and most direct means of doing so would be to omit subsections (2) and (3) from the proposed amendments. A somewhat similar result could be achieved by deleting everything after "unduly" in line 43 of page 6.

Then he continued:

In fact, however, it can be demonstrated that the proposed amendments will effectively eliminate the ban on resale price maintenance, will provide no effective protection either short run or long run, for the small dealer, will open the door to discriminatory practices, will strengthen the position of the large distributor who controls private brands, will place in the hands of the manufacturer a degree of control over the final price of his products that is denied to other groups in the economy, and finally, is based on a profound misunderstanding of the way in which business is conducted.

He makes one other very significant statement. I wanted to make sure, Mr. Speaker, that he was in the category of the independents and had no personal axe to grind, and I questioned him as follows:

So as to differentiate between a submission to the committee by a trade, industry or marketing organization and one of an academic nature, without any specific axe to grind, would you tell us, Professor, whether you have any direct interests, commercial or industrial, which might affect your presentation or which might be affected by your presentation; or are you making the presentation purely on an academic basis and as an objective study of the problem?

Dr. Skeoch: Well, I have some investments, Mr. Crestohl, but I do not think this would affect my judgment of these matters because, as far as I know, some of the firms in which I have investments have resale price maintenance and some of them do not.

Consciously, this is an analysis that proceeds solely from an academic—I do not say "academic" because I have attempted over the years to acquaint myself as closely as possible and to talk to as many businessmen as possible about problems in this area. As far as I am consciously aware, this is an objective, careful and, I think, responsible analysis of the issues; and it is certainly not dictated by any personal interest of my own.

That was the first scholar who came before our committee, backed by his entire faculty. But he was not the only one. There were others, and all the others who came before the committee supported this viewpoint. There was not one teacher of economics, there was

not one scholar of economics that the government brought before our committee who differed from that viewpoint.

At least, if there had been one to contradict all these scholars, there might be a difference of opinion in scholars; but they were all unanimous. Following what Dr. Skeoch said, I would now like to refer for a moment to Dr. Rosenbluth. He gave his qualifications, and it is certainly a very impressive record, having gone as far as obtaining a Ph.D. from Columbia University. That is by way of introduction. Briefly, what have I culled from his evidence? This is what he says, at page 468 of the evidence:

> The purpose of the Combines Investigation Act is to keep private business as competitive as possible. It is designed to protect the public against restrictions of competition that occur when business firms act in concert, when they merge, or when they exploit a monopoly position.

Then he continues:

> Such a law is necessary because businessmen usually find it profitable to restrict competition. This tendency is as old as business itself, as suggested by Adam Smith's much quoted comment that "people of the same trade seldom meet together, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices".

Then he says:

> Second, to accept the advice of trade associations—

And that is what we had. We had some 25 trade associations, only one representing the consumers, and these three or four scholars. He says:

> —on how the Combines Investigation Act should be amended is a little like asking burglars to amend the law on theft or basing liquor control legislation on the advice of alcoholics.

That is so significant, Mr. Speaker, that I would like to emphasize it. The experts who came before us and laid the groundwork for the bill which the government had presented were the industrialists, the producers, the manufacturers and the people concerned with price, and it is on their evidence, their information, their representations that the minister has made such a lengthy statement today, trying to say that it will be helpful. Yes, it will be helpful indeed; but it is helpful right down the line for these industrialists. Then Dr. Rosenbluth said further:

> The major provisions of Bill C-58 are evidently based on the suggestions of trade associations—

How wise that man was:

> —and it is therefore not surprising that their effect is to make it easier to suppress competition and more difficult to enforce the act. There are two such provisions.

And he analyses them. That was the second scholar we had. Dr. Rosenbluth by the way, also came from Queen's University. Then the committee also heard Dr. English, who came from Carleton University. On page 491 of the evidence he said:

> Clearly the mild and redundant provisions of Bill C-58 can do little to alter this situation, which is in any case largely favourable to Canadian industry.

There was also put into the record, Mr. Speaker, a letter signed by the staff of Carleton University, and I should like to read portions of this letter into *Hansard*. It is a letter addressed to the chairman of the standing committee on banking and commerce, and it reads:

> The undersigned members of the department of economics at Carleton University wish to support the views expressed by Professor H. E. English in his brief to the standing committee on banking and commerce, July 5th, 1960.
>
> In particular, we regard the proposed changes to the legislation on loss leader selling contained in Bill C-58 as detrimental to the public interest. As has been observed on innumerable occasions, the concepts of cost are varied and complex. Attempts to define them in one way rather than another for purposes of price determination restrict that freedom of managerial decision necessary to reduce consumer prices to a minimum.

This in spite of what the minister has tried to explain.

> Inevitably, moreover, there are many occasions when it is advantageous for a business man to sell goods below the price he has paid for them, where, for example, he has misjudged the market, changes having occurred in either supply or demand...
>
> In spite of the expressed intention of the framers of Bill C-58 that the prohibition of loss selling shall not be regarded as a reinstatement of resale price maintenance, we believe that such prohibition will in fact have this effect, and in our opinion the public interest will not be served thereby.
>
> In general it seems to us that the net effect of Bill C-58 will be to weaken the legislation against private restraints on competition in Canada. In our view, this is an area where stronger and better enforced legislation is called for and we would regret to see the present amendments carried.

One is therefore not in the least surprised to hear the minister make this vigorous defence today which he also made in committee. I say to the members of this house who do represent the public that we have here on the one hand the consumer, who is interested in getting his wares as cheaply as possible, and we have this incontestable evidence from men who have no axe to grind, who are not politicians and have not sworn allegiance to any particular party. But good or bad, it must go through. In committee we were faced constantly by a well regimented majority. What could we do? We could only call as witnesses people who were independent, who stepped into the witness box with clean hands and who came before us without any ulterior objective.

Mr. Speaker, I think they are the ones who parliament should listen to in preference to

the manufacturers and those concerned with profits. But, oh no, the minister says, "Because this is a Conservative government we are suspected of favouring big business". The minister says that with his tongue in his cheek. The fact is that that is the truth, because if it were not, why does the government not take the evidence and follow the good, sound economic advice of the only people in the country who can give it to them.

We are bringing before parliament a bill for clarification purposes. Certainly no one has asked for clarification of section 34 in the past. I have heard no complaint that section 34 was not clear, so why clarify something which no one asks for? Section 34 was being very well handled and at least had some force. I look upon this present bill as being overloaded with clarity to the extent that it is completely confusing. It confuses the country, it confuses the scholars, it confuses the teachers, it confuses the economists, it confuses everyone. The only people who are not confused are the industrialists. Why? Because very subtly and carefully this bill has opened loopholes for them and provided avenues of escape.

Mr. Speaker, that is the bill the minister has brought before the house, and when the people realize that their eyes will be opened. As the president of the consumers association said, we certainly do not want this kind of advice; it is inimical to the interests of the Canadian consumer. I say that the Canadian consumers' position was not adequately considered by the minister when it should have been. We are concerned first and foremost with the people of Canada.

Of course we are concerned with business and with maintaining our economy and industries, but we have adopted a piece of legislation which has ignored completely the interests of the consumer and the government merits all the criticism which can be thrown at it. When the minister spends most of his time defending himself when at that particular moment no defence was needed, I think he has certainly fallen into his own trap when he tried to present this measure in the form of an attack. It is the old story that attack is the best defence. Or, as Shakespeare said—I am always wary when I quote Shakespeare—Methinks the lady doth protest too much. The minister certainly protested too much and has not given sufficient attention to the consumer's side in this debate.

For that reason, Mr. Speaker, I find it important to move an amendment. I therefore move, seconded by the hon. member for Hull (Mr. Caron):

That this bill be not now read a third time but be referred back to the committee of the whole to reconsider the deletion of clause 14 of this bill with instructions to have power to amend it to provide therein safeguards for small business and against the exploitation of the Canadian consumer.

Mr. Speaker, I am not unmindful of the fact of what the fate of this amendment will be. As I say, I wish it were so that members of a party had the right sometimes to vote freely. We had a great number of independent witnesses who gave evidence which was not contradicted, and I say to hon. members of the house who are members of the bar that if they had to sit in judgment I know which way they would decide. Unfortunately, I have to acknowledge the fact that there is a regimented majority against me and the amendment of course will follow the usual course.

Mr. Speaker: Before placing this amendment before the house I should like to hear whether any member shares my concern about the last part of the amendment. It appears to be in order in referring the bill back to the committee of the whole to reconsider clause 14, but the instructions are that the committee have power to amend it to provide therein safeguards for small business. I suppose that means safeguards with respect to the subject matter of this clause. Then the words "and against the exploitation of the Canadian consumer" constitute a rather broad expression and would be outside the scope of the bill unless it related specifically to the subject matter of clause 14.

Mr. Crestohl: The matter was discussed in committee. We had felt in committee that there was exploitation of the Canadian consumer, and I think the committee should have the power to sit down and examine clause 14 and see whether it could not bring back to the house a measure with safeguards against the exploitation of the consumer if, indeed, the committee accepts that the consumer at the present time is being exploited. If the committee does take the view that it is satisfied that the public is not being exploited, then, of course, it could so state. This is why I feel that the amendment is in order and should be accepted.

Mr. Speaker: Has any other hon. member any comment to make on this amendment?

Mr. Fulton: All I can say is that the amendment, it seems to me, is assertive of an opinion and of an opinion which is not, in my view, well founded. I do not think I can add much to what you have said, Mr. Speaker, with regard to the conveyance of instructions to the committee. I understand the only instructions which can be made to the committee at this stage is to take the bill back to reconsider a particular clause, and in giving the committee power to amend you must indicate precisely the amendment

you want. You cannot give the committee general power to amend; that power must be particular.

Mr. Pickersgill: May I draw Your Honour's attention to page 397 of the fourth edition of Beauchesne where it is stated:

> The question being proposed "That Bill No. 133 intituled the War-Time Elections Act be now read a third time."
> Mr. Neely moved in amendment thereto, seconded by Mr. Sinclair, "That the said bill be not now read a third time but that it be referred back to the committee of the whole with instruction that they have power to amend it by eliminating from it all such provisions as tend to remove the franchise from any class of His Majesty's subjects who are now qualified electors, according to the laws of the province in which they reside."

I direct attention particularly to the words "tend to" which do seem to be of a very general character. I would suggest, as my hon. friend from Cartier has already suggested, that this question of the protection of consumers and safeguards for small business are matters which were fully considered in the committee. My hon. friend is not suggesting that the committee of the whole be restricted; he is suggesting that they should amend the bill and not do something which would be beyond that.

Mr. Fulton: If I may speak again on this point of order may I say that the instruction to delete is, it is true, a specific one. But there then appear references to two matters—safeguards for small business, and the question of protection against exploitation of the Canadian consumer. There is no direction to the committee in either of these broad fields as to the lines along which they should move or the specific amendments they should make.

In the sample amendment cited by the hon. member for Bonavista-Twillingate there is a specific direction to the committee to amend the bill by eliminating from it certain provisions, provisions which are specified, the kind of provisions "as tend to remove the franchise from any class of His Majesty's subjects who are now qualified electors, according to the laws of the province in which they reside." That was a species of provision which was capable of being isolated on an examination of the bill which was before the house.

But here you have a general instruction to reconsider a bill in reference to a particular clause, and then to consider the substitution therefor of something which is only outlined in a general way. That is why I say I have always understood that motions containing instructions to the committee of the whole at this stage must contain specific directions, and in my view this amendment would not be specific within the meaning of that rule.

Mr. Chevrier: May I direct the attention of the house to the citation contained in paragraph 415 of Beauchesne's fourth edition which reads:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

Mr. Fulton: Yes, "particular".

Mr. Chevrier: There is no contradiction there, in that citation, with what is now being moved. Then the second part of this citation reads:

> Bills may be recommitted a number of times with or without limitation; in the latter case, the whole bill is opened to reconsideration, but in the former case the committee can only consider the clause or amendments or instructions referred to them.

It would seem to me that on the face of what is stated in paragraph 415(1) this amendment is in order.

Mr. Speaker: I thank hon. members for their assistance. I should like to refer to the fourth paragraph of citation 415 of Beauchesne's fourth edition which appears to be relevant. It reads:

> On the third reading of a bill, an amendment to refer back to the committee of the whole must not tend to change the principle approved on the second reading.

Then again, I should like to refer to citation 418 on the following page which states:

> The question for the third reading is put immediately after the report from the committee of the whole. All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

Then lower down in the same paragraph there is a reference to amendments of second reading when opinions may be expressed. Then, it is stated:

> This cannot be done on the third reading because it is not directly connected with any provision of the bill.

Finally, I would refer to the last paragraph of that citation:

> When a motion is made "that the bill be now read a third time", the same kind of amendments are permissible as on the second reading, i.e. amendments postponing it for three or six months.

My difficulty in this matter—and I do not want to be unduly fastidious about this amendment—is that it seems to me in order to refer a bill back to the committee to delete clause 14, and if the hon. member had stopped there I would have no doubt about it. But

the hon. member goes on to say "with instructions that they have power to amend it". He is talking about the bill, I suppose, or perhaps he is talking about clause 14. In any event the committee is given power to amend it so as to provide safeguard for small business.

I do not know of any principle in the bill which distinguishes between small business and large business as such, and if we get the committee dealing with small business as a class of business, as business affected by the subject matter of clause 14, which, I take it, deals with a person accused of not supplying certain articles to the trade, there is no principle in the bill to indicate that the offence relates to a small or a large business. I think it relates to all business.

I think the introduction of that distinction goes beyond the principle of the bill or its contents as it now stands. I am also concerned about the final expression in the amendment "against the exploitation of the Canadian consumer". It is true, I suppose, that the whole principle of the legislation is to prevent exploitation of the consumer, the public, by unfair trade practices, but because of those two instructions I do not think I can accept the amendment as it now stands.

Mr. Pickersgill: Perhaps, Mr. Speaker, you would permit me a further argument on the point about small business because that point was not argued before. The whole purpose of clause 14 as explained to us by the minister —I am sure the minister would not disagree with me—is to protect small business and to prevent the concentration of the retail business in a few hands. It seems to me that in view of the explanation which the minister gave only so late as this afternoon in this very debate what my hon. friend for Cartier (Mr. Crestohl) is seeking to do is to provide a different kind of protection from that which the government considers it is providing in the bill.

Mr. Fulton: But the hon. member does not specify it in his amendment. That goes to my point, Mr. Speaker, which I think is a valid one, that at this stage a bill should not be referred back to a committee with instruction to make an amendment which is so general in its nature that the committee does not really know precisely what it is that the house instructed it to do.

The hon. member for Bonavista-Twillingate is quite right in his interpretation of my view. Clause 14 of the bill was designed by the government to give protection to small business, and it provides a specific method by which the protection may be given. Now, instead of referring back to the committee to delete clause 14 and substituting something else or to make an amendment which would accomplish the objective by a particular move, my hon. friends seek to refer it back to the committee without any real instruction at all because the terms of their purported instructions are so broad as to be no real instruction at all. That is my objection to the amendment. It does not conform to the kind of amendment which has been allowed before at this stage.

Mr. Speaker: I have not yet placed the amendment before the house. If the hon. member who has the floor wishes to move it he is at liberty to do so in the light of the views I hold about this particular amendment.

Mr. Crestohl: It is an accepted principle, of course, that the house can refer a bill back for an amendment to delete a paragraph.

Mr. Fulton: That is true.

Mr. Crestohl: If Your Honour has any difficulty in finding an instruction in the latter part of the amendment. I would ask that you accept this amendment only to the extent of deleting clause 14.

Mr. Speaker: The amendment now proposed in my view, is in order, and I shall now place it before the house. It has been moved by the hon. member for Cartier (Mr. Crestohl), seconded by the hon. member for Hull (Mr. Caron):

That the bill be not now read a third time but be referred back to the committee of the whole for reconsidering the deletion of clause 14 of this bill.

Is the house ready for the question?

Some hon. Members: Question.

Mr. Fulton: Mr. Speaker, on this amendment I feel I am bound to point out to the house that the amendment now moved would have the sole effect of deleting from the bill precisely that clause that was put in for the specific purpose of protecting small business. On this issue we shall be very glad indeed to divide the house.

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

YEAS

Messrs:

Argue	Carter
Badanai	Chevrier
Batten	Crestohl
Boivin	Denis
Boulanger	Deschatelets
Bourget	Dumas
Bourque	Eudes
Caron	Fisher

Division

Granger	Pearson
Habel	Peters
Herridge	Pickersgill
Howard	Richard (Ottawa East)
McIlraith	Robichaud
McMillan	Tardif
Martin (Essex East)	Tucker
Michaud	Winch—32.

NAYS

Messrs:

Aiken	Legere
Allard	Lennard
Baskin	Letourneau
Beech	Macdonald (Kings)
Bell (Saint John-Albert)	Macdonnell
Best	MacInnis
Bigg	MacLean (Queens)
Bissonnette	MacLean (Winnipeg North Centre)
Bourdages	Macquarrie
Brassard (Chicoutimi)	McCleave
Brooks	McDonald (Hamilton South)
Browne (St. John's West)	McFarlane
Browne (Vancouver-Kingsway)	McGee
Brunsden	McIntosh
Cadieu	McLennan
Cardiff	Martineau
Casselman, Mrs.	Matthews
Charlton	Monteith (Perth)
Chown	Monteith (Verdun)
Churchill	Montgomery
Comtois	Nasserden
Creaghan	Nowlan
Crouse	Nugent
Diefenbaker	O'Hurley
Dorion	Pallett
Drysdale	Parizeau
Dubois	Pascoe
English	Paul
Fairclough, Mrs.	Payne
Fairfield	Pearkes
Fleming (Eglinton)	Pigeon
Fleming (Okanagan-Revelstoke)	Rapp
Frechette	Ricard
Fulton	Rompre
Grafftey	Sevigny
Green	Small
Grills	Smallwood
Gundlock	Smith (Lincoln)
Hamilton (Qu'Appelle)	Smith (Simcoe North)
Harkness	Southam
Hees	Speakman
Henderson	Spencer
Horner (Acadia)	Stanton
Horner (Jasper-Edson)	Starr
Horner (The Battlefords)	Stewart
Johnson	Tassé
Jorgenson	Thomas
Jung	Thompson
Keays	Tremblay
Knowles	Valade
Korchinski	Villeneuve
Kucherepa	Walker
Lafreniere	Webb
Lambert	White—108.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, when the minister introduced the bill there was much talk of Conservative principles. I could not help but notice today that in his remarks on third reading Conservative principles were not recognized and seemed to have disappeared in a rather peevish attitude toward the opposition for being so nasty as to create such illusions about the bill.

Mr. Fulton: I spoke of my hon. friends more in sorrow than in anger.

Mr. Fisher: More in sorrow than in anger, the minister says. I think we are the ones who might be entitled to feel more sorrowful than angry about the bill because it is a rather miserable one. The minister has had three years to live up to his reputation of being perhaps one of the most able Conservative spokesmen and also of being an extremely effective politician, someone who starred when in opposition, and in effect he did star a bit in the opposition role with respect to this legislation because in the committee we found that the minister took over some of the cross-examination of witnesses in order to try to make a case for the bill that his own supporters did not seem able to make. I thought that was rather unusual, to say the least. Of course, he has also had to rush into other committees recently to bail out government members who did not seem to be able to present the right kind of criticism to suit the government.

An hon. Member: Speak for yourself.

Mr. Fisher: During the lengthy evidence which was heard I was very interested that so many of the people who presented points of view were against the bill. Almost every group was against one aspect or other of the bill but, as the hon. member for Cartier (Mr. Crestohl) has pointed out, the academic community as a whole was extremely critical. As a matter of fact, I think you could hardly find more than one or two points on which they thought the bill had any merit.

The hon. member for Cartier has also pointed out that this was a disinterested group, perhaps the only group that appeared before the committee which was disinterested in the bill. I should like to point out along with him that this disinterest was so marked that some of the professors who appeared before the committee admitted they had formerly been employed by the combines branch for special consultation, and despite the fact that they had received a certain amount of income, not any great amount, they were prepared to come before the committee and give their views, perhaps to the prejudice of their future use by the combines branch because of their speaking out so strongly against what the combines branch in association with the minister apparently was recommending.

The remarkable thing to me about the appearance of these academic witnesses was the reaction of the government members of

the committee. They seemed to feel that these people were mere theorists. Their view seemed to be, let us get down to something practical, and the something practical that most of the members of the committee always seemed to get down to were the suggestions of the retail merchants association of Canada. In my interpretation, that of every opposition member on the committee and I think that of every government member of the committee, the reason we have what is in effect a return to resale price maintenance is largely as a result of the representations of that particular group. To say, as Professor Rosenbluth did, that to take the advice of such a group is like calling in a burglar for advice on robbery is perhaps somewhat unfair. I think Mr. Gilbert in his own evidence managed to show that neither he nor his association had a clue on the point that seemed to move the minister most, namely that small business was in a very bad way because of the fact that resale price maintenance had been banned some eight or nine years ago.

I would have thought that the minister, if he was going to go to the length of cross-examining some of the witnesses who tended to be hostile to his legislation, might at least have gone the length of producing evidence for us in some kind of statistical survey form that small business really was in a bad way because of the ban on resale price maintenance. However, we did not get that at all. All we got from the minister was the same kind of ambiguity that Mr. Gilbert fed us. As far as that is concerned, I felt that Mr. Gilbert was prepared to insult any member of the committee who was critical of the retail merchants association. How anyone could fail to be critical of such a badly organized presentation I cannot understand.

I have no complaint about the fact that the retail merchants took their brief to a caucus committee of the government members. That is strictly Mr. Gilbert's affair. Obviously taking it there was effective because it seems to have been that visit and the influence of Mr. Gilbert that led to the clause of the bill which is perhaps the most controversial and to which we object the most.

In his remarks on third reading the minister spoke about a clarification. When he introduced the bill I believe he said that this was a revision. I believe he gave us the assurance at the second reading stage that to a degree this was only a temporary move, that there was going to be a long term and more consistent approach to the matter. I am rather bothered by the word "clarification" now because this would seem to indicate that the legislation is final rather than merely a temporary revision.

How the minister with all his reputed ability could spend three years on a bill and come up with the hodgepodge he did is beyond me. The hodgepodge, and I think it is fair to call it that, is exemplified by the fact that the second most important change in the whole measure was brought in late in the committee hearings. The thing that bothers me about it most, Mr. Speaker, is that this change in the export matter that the official opposition so heartily approved of was brought in long after we had had the opportunity to question some of the experts to whom the official opposition is so ready to refer.

I think it is most regrettable that we did not have the chance to hear from people such as Professor English, Professor Rosenbluth, or the great expert on this legislation, Mr. Skeoch. As far as I can find, Mr. Skeoch's only reference to it was one very small paragraph, in connection with this whole business of the export matter.

The minister, in his introduction on third reading, made a big thing of the export clause and yet here, after three years, he brings it in this late in the committee hearings. What kind of preparation is this by this able minister?

I want to reiterate, Mr. Speaker, that we do dislike the export clause, for a number of reasons; that it is almost a panic move, like the panic move to bring back resale price maintenance as a result of the representation of the retail merchants. The salmon packers and the Canadian metal mining association appeared and put in a brief—and I will say, with regard to the salmon group, that if it was convinced that we were going to agree to a change of this moment so late in the arrangements, I think we are wasting much of our time considering legislation in parliamentary committees.

It seems to me that this particular clause is quite unlikely to have any other effect than to weaken the general attitude of the business community to the legislation. The fact remains that so far as our export trade is concerned, the great bulk of it is comprised of the newsprint industry, the wood pulp industry, the pulpwood industry, some agricultural products that go across the border, and certain products of the mining industry, especially metal such as nickel or zinc. I cannot see, in the present way those products are organized or used in the export market, that we need to give any particular encouragement to a clause such as this, to the organization of the export side of an industry's product, and think that it is not going to have some relationship to the domestic side.

Although the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was close to something when he gave an indication that

Division

he really did not think the export clause was necessary if the general attitude toward the bill in the past obtained, it certainly assumed that the government of Canada was not going to put any of our important export industries into a particularly bad position because of the Combines Investigation Act, and that there was no other course open to the minister and the branch, in the way of executive loopholes, to see that no prosecution went ahead.

The minister has gone down the list in his introduction on third reading. Again I might note, Mr. Speaker, that we wonder whether the lukewarm way the bill was treated on second reading, and the still cooler way it was treated at this reading by the government members, is any indication. I cannot remember hearing any applause, despite some of our prompting. There was absolutely no applause from the government benches.

I do not know whether this is an indication that they feel the bill is as bad as we think it is; but we think it is so bad that I would like to move, seconded by the hon. member for Kootenay West (Mr. Herridge):

That the bill be not now read a third time but that it be read a third time this day six months hence.

Mr. Browne (St. John's West): Where is your applause?

Mr. Aiken: Yes, where is your applause?

Mr. Argue: He got some.

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

YEAS

Messrs.

Argue	Granger
Badanai	Habel
Batten	Herridge
Boivin	Howard
Boulanger	McMillan
Bourget	Martin (Essex East)
Bourque	Michaud
Caron	Pearson
Carter	Peters
Chevrier	Pickersgill
Crestohl	Regier
Denis	Richard (Ottawa East)
Deschatelets	Robichaud
Dumas	Tardif
Eudes	Tucker
Fisher	Winch—32.

NAYS

Messrs.

Aiken	Bourdages
Allard	Brassard (Chicoutimi)
Baskin	Brooks
Beech	Browne (St. John's West)
Bell (Saint John-Albert)	Browne (Vancouver-Kingsway)
Best	Cadieu
Bigg	Cardiff
Bissonnette	Casselman, Mrs.
Charlton	McDonald (Hamilton South)
Chown	McFarlane
Churchill	McGee
Comtois	McGrath
Creaghan	McIntosh
Crouse	McLennan
Diefenbaker	Martineau
Dorion	Matthews
Drysdale	Monteith (Perth)
Dubois	Monteith (Verdun)
English	Montgomery
Fairclough, Mrs.	Nasserden
Fairfield	Nowlan
Fleming (Eglinton)	Nugent
Fleming (Okanagan-Revelstoke)	O'Hurley
Frechette	Pallett
Fulton	Parizeau
Grafftey	Pascoe
Grills	Paul
Gundlock	Payne
Hamilton (Qu'Appelle)	Pearkes
Harkness	Pigeon
Hees	Rapp
Henderson	Regnier
Horner (Acadia)	Ricard
Horner (Jasper-Edson)	Rompre
Horner (The Battlefords)	Sevigny
Johnson	Small
Jorgenson	Smallwood
Jung	Smith (Lincoln)
Keays	Smith (Simcoe North)
Knowles	Smith (Winnipeg North)
Korchinski	Southam
Kucherepa	Speakman
Lambert	Spencer
Legere	Stanton
Lennard	Starr
Letourneau	Stewart
Macdonald (Kings)	Tassé
Macdonnell	Thomas
MacInnis	Thompson
MacLean (Queens)	Tremblay
MacLean (Winnipeg North Centre)	Valade
Macquarrie	Villeneuve
McCleave	Walker
	Webb
	White—108.

Mr. Frank Howard (Skeena): There are a few remarks I should like to make at this stage, because some of the reasoning of the government has been expressed by the minister on third reading and it is completely new reasoning in so far as relationship with the other stages of the bill is concerned. One, in particular, that I can think of is that the minister when he spoke at the beginning of this debate related this bill to the question of unemployment and said that one of the things that would be accomplished by this bill, if it is passed by the Senate and given royal assent, is that unemployment would decrease and that more opportunities for work could be provided. One could understand the Prime Minister (Mr. Diefenbaker) in his generous way or even the Minister of Labour (Mr. Starr) reflecting on the activities of the government and saying that they have some bearing on the unemployment situation, because the winter works program can hardly be considered as a cure-all. But I think this intimation of the Minister of

Justice (Mr. Fulton) at the final stage of this bill represents a pretty desperate grasp for measures which may lead the general public to believe that the government is at least thinking about unemployment. I suggest this bill has relatively little to do with unemployment—

Mr. Speaker: I accept the hon. member's suggestion that this bill has nothing to do with unemployment and hope he will not continue on that subject.

Mr. Howard: I hope the Minister of Justice who has heard your comment will accept this indication that the bill has nohing to do with unemployment. I maintain that the minister tacked this on as a last thought.

I turn now to a few comments which do concern this measure which is now before us, and particularly that part of it which was initiated during the committee stage. Perhaps one could refer to it as the Pickersgill-Fulton amendment dealing with the question of the export trade. Unfortunately, during the time the bill was in committee of the whole and when the motion was formerly introduced by the hon. member for Burnaby-Richmond (Mr. Drysdale) on behalf of the government we only had a short period of time over the lunch hour and a couple of hours during the dinner interval to go into this question in any detail. However, we did register in the committee stage our objections to the proposed amendment concerning provisions dealing with the export trade.

I should like to point out that Canada is not the only nation which has considered and dealt with the question. Our neighbours to the south have had a statute on their books for a number of years. As a matter of fact it was just after the first war when an act was passed dealing with the question of allowing conspiracies which were designed to increase export trade. Such conspiracies were exempt from the provisions of the Sherman act and the anti-trust law provided they did not have certain deleterious effects. Under the Webb-Pomarene act export associations were required to register themselves with the federal trade commission of the United States stating what their objects were, who their officers were; what instructions they had given and so forth.

I wonder if I may call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Howard: Mr. Speaker, at six o'clock I indicated that in the United States since 1918 there has been an act under which companies were allowed to conspire for world trade provided it did not contravene certain existing laws. According to my reading the experience gained in that country under the federal Webb-Pomarene act has been that the hopes and desires of the government of the United States in passing the legislation had not been met. They found more difficulties arose after the passage of the act than previously existed. If the amendment before us were passed and an association were formed to function in a conspiratorial fashion with respect to exports it would have to take over virtually all domestic production in order to be successful. Without such control competition in the world market from firms outside the association would make it difficult to withstand the competition. This was the experience some time ago with the anti-trust law in the United States.

By dealing with the matter in this fashion there is a basic inconsistency between the act and the amendment. Under section 32 of the Criminal Code price conspiracies are illegal and have been prosecuted time and time again under the act. This amendment would make such conspiracies legal with respect to export trade under certain conditions. This would mean that we would have two sets of rules, one with respect to domestic activities and the other with respect to activities in export markets. It is natural to assume that companies engaging in price conspiracies will come under the more liberal of the two sets of rules because they will be engaged in activities on the export market. There will be a psychological tendency to take advantage of exports, and this will encourage illegitimate action on the domestic market.

Mr. J. N. Hyland, director of the fisheries council of Canada who appeared before the standing committee on banking and commerce on June 22 gave evidence to this effect:

> My experience in the marketing of canned salmon leads to the conclusion that the domestic price of any commodity which is exported in material quantity cannot be isolated from the world price. This is true whether the commodity is fish, lumber, pulp, copper, aluminum or newsprint. In this connection it should be emphasized that the factors of world supply and demand can work to reduce domestic prices as well as increase them.

This bill does not attempt to deal with the question of participation in international cartels.

Mr. Walker: Mr. Speaker, may I ask the hon. member if he would speak a little louder. We cannot hear a word he is saying.

An hon. Member: It is just as well perhaps.

Mr. Howard: I am sorry. I usually have no difficulty making myself heard.

Mr. Pickersgill: The hon. member is following his notes too closely.

Mr. Howard: I must in this instance because in dealing with this delicate amendment of the hon. member for Bonavista-Twillingate I would not want one word to be misconstrued.

Mr. Walker: We can hear the hon. member now.

Mr. Pickersgill: That is optimism.

Mr. Howard: My hon. friend would take the opportunity of misconstruing anything I said if he so desired.

As I said, the bill makes no provision for dealing with cartels. The general tendency is to establish a price high enough to cover the additional costs so the general public as a result pays a higher price than necessary. Consequently, the general public has to pay far higher prices than are necessary if there are Canadian companies engaged in international cartels, as permitted by the export amendment.

Many times in the past the Liberal party and the Conservative party have undertaken to give more weight to what political support they will get from taking a certain point of view than to the principle. This the C.C.F. has refused to do. Because we believe the export change here will be undesirable and detrimental—

Mr. Speaker: Order.

THE ROYAL ASSENT

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

Mr. Speaker, the Honourable the Deputy of His Excellency the Administrator of the government of Canada desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

And being returned:

Mr. Speaker informed the house that the deputy of the administrator had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to incorporate The Evangelical Lutheran Church of Canada.

An act to amend the Income Tax Act.

An act respecting the Department of Forestry.

An act respecting the Franchise of Electors and the Election of Members of the House of Commons.

An act to amend the Canada Shipping Act.

An act to amend the Freight Rates Reduction Act.

[Mr. Walker.]

COMBINES INVESTIGATION ACT—CRIMINAL CODE

AMENDMENTS RESPECTING MERGERS, MONOPOLIES, ETC.

The house resumed consideration of the motion of Mr. Fulton for the third reading of Bill No. C-58, to amend the Combines Investigation Act and the Criminal Code.

Mr. Frank Howard (Skeena): Mr. Speaker, this is one speech of mine that has been split into three or four different sections and it is not always possible to pick up the thread immediately. However, I do not think this is a desirable amendment. While it perhaps gives a cloak of legality in the export field, its effects will be far more detrimental to the domestic field. In any event, we believe that this is no place to make such changes. This is not the act under which to deal with this question. We think that something concrete, definite and constructive should have been done about our export problems some months ago. However, if we cannot deal with the shortsightedness of the government on the question of trade in this particular proceeding we will deal with it at another time.

In addition, the proposed amendments to subsections 2 and 3 of section 32, which allow corporations to engage in certain conspiracies with regard to certain matters in the domestic field, are such as to occasion our objection also. One interesting point in this regard, as pointed out by my colleague, the hon. member for Port Arthur (Mr. Fisher), is that when the minister spoke on second reading of the bill he brought into the debate the traditional difference of opinion between the Tory party and the Liberal party. He was followed by the Leader of the Opposition (Mr. Pearson) who also dealt extensively with the traditional difference of opinion between the Liberals and the Tories so far as the Combines Investigation Act is concerned. In view of the fact that this matter was made such a party issue, one of the interesting things I am looking forward to seeing is what will occur when the bill reaches the other place where the Liberals have a majority. I am looking forward with a great deal of interest to see whether the other place has the same sort of courage as it had with respect to another proposal dealt with a while ago.

But in any event, Mr. Speaker, to indicate formally our objections to these two other features of the bill, one of which was dealt with earlier, and the other which came in at the committee stage, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That the bill be not now read a third time, but that it be referred back to the committee of the

whole for the purpose of reconsidering section 32 of clause 13 with a view to deleting subsections (2), (3), (4) and (5) thereof.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, this amendment is obviously more clever than it is intelligent. It is obviously moved for the purpose, not of embarrassing the government but in a vain effort to embarrass the official opposition. I am simply repeating the words of the hon. gentleman, which were rather hard to hear, in the hope that mine will be easier to hear.

It is well known, of course, that subsections (2) and (3) of section 32 which it is proposed to put into the present act—which are in clause 13 of the bill—are objectionable, and objectionable in a quite fundamental way to the official opposition as my hon. friend, the Leader of the Opposition (Mr. Pearson), pointed out in the debate on the second reading, and as we have pointed out throughout.

It is equally obvious, of course, to everybody who knows anything about the history of this matter, that subclauses 4 and 5 in this clause would not be in the bill at all if it had not been for the initiative taken by the Liberal party in the committee on banking and commerce.

Hon. gentlemen thought they were going to place us in the awkward position of having to vote against something we stood for, or voting for something we were fundamentally against. This does not present the slightest problem at all to us. We think this whole bill is a mistake as my hon. friend the Leader of the Opposition said on second reading. If this amendment were passed it would permit the house to reconsider in committee all the subsections except the first subsection—which is after all in the present act—of section 32.

When that stage arrives, if it does arrive —and of course, it is an illusory hope that it will—we would do what we did before, and that is we would do our best to take subclauses 2 and 3 out. We would, if there was no hope of killing the bill altogether, continue to take the view that subclauses 4 and 5 should be in and should be renumbered subclauses 2 and 3.

But we took the view—and I expressed this, as hon. members well know, and I do not need to repeat my words; they are on page 6975 of *Hansard* for July 26—that if this bill was going to be rammed through the house anyway, it might as well have something good in it. We did manage to get something reasonably acceptable put in it; but we think the bill itself is bad. We think it would be better if it did not pass at all, and therefore as a choice between the two courses offered by this latter-day Archbishop Morton, we will vote for the amendment. In that way we will be indicating—and that is all we will be indicating—that in a fundamental sense we are against this bill.

An hon. Member: Vote against it.

Mr. Pickersgill: We certainly will vote with the C.C.F. against the government, because we are against the bill, as my hon. friend the Leader of the Opposition pointed out in the first place.

But we did think that if this bill is going to be put through parliament—or, at least, put through this house; and I will not break the rules, as the hon. member for Skeena (Mr. Howard) did, by talking about what may be done in another place—we think that a bad bill might as well have one good feature in it.

So when a straight question is asked us about this business of making it a little more certain that the export industries will not in any way be penalized under this legislation, we will, of course, when that question is isolated and by itself, support it, because after all it is the only really good thing in this bill, and the only reason it is there is because the Liberal party took the initiative in putting it there.

Some hon. Members: Hear, hear.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I appreciate the dilemma of my hon. friend the member for Bonavista-Twillingate (Mr. Pickersgill), because he used some quite inaccurate words about the bill being rammed through the house. May I point out that the bill was introduced and given first reading on May 6, which is some months ago; that it came up for second reading quite early in June; that it went to the standing committee on banking and commerce on June 16; and it was reported out of the committee on July 18—all of which has occupied some time. The bill has been adequately and thoroughly considered.

Mr. Pickersgill: That is what Walter Harris said four years ago.

Mr. Fulton: This bill was not in the house when Walter Harris was here. I am sorry, my hon. friend has got his history mixed again, as usual.

But I can well appreciate that during the time this bill has been before the house for consideration the dilemma of the official opposition has been increasing. We now see their dilemma before us in a concrete form tonight. My hon. friend said that so far as they were concerned, their position was that a bad bill might as well have one good feature in it. Then he indicated by what he said with respect to the way they were going to vote, that they would do their best to vote what they regarded as the one good feature

in the bill, out of the bill, because they have indicated that they are going to support this amendment. That, of course, would have the effect of eliminating from the bill that provision which imposed a protection for Canadian industries in export trade.

But my hon. friends of the official opposition are trying to have it both ways again; they are trying to claim credit, as the hon. member for Bonavista-Twillingate did just now, quite erroneously, for the inclusion of this amendment in the bill; but now they are indicating they are going to stand up solemnly on a recorded vote in this house to vote to have it taken out again.

That of course is typical of the whole history of the opposition in connection with the Combines Investigation Act and in connection with this amendment. If they can get any comfort out of the tortured explanation of the hon. member for Bonavista-Twillingate I can assure them that however much they try to rationalize their position the people of this country, the industry of Canada, whose position, by the attempts we have been making in these amendments we have attempted to improve, will understand perfectly clearly what is the position. The Liberal party, who voted for the inclusion of something in committee of the whole, voted to take it out again on third reading of the bill, whereas the C.C.F. party has been consistently throughout the whole discussion against anything that would improve the position of Canadian industry for the welfare of the Canadian economy.

Some hon. Members: Hear, hear.

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

YEAS

Messrs.

Argue	Habel
Badanai	Hellyer
Batten	Herridge
Boivin	Howard
Boulanger	McIlraith
Bourget	McMillan
Caron	Martin (Essex East)
Carter	Michaud
Chevrier	Pearson
Crestohl	Peters
Denis	Pickersgill
Deschatelets	Regier
Dumas	Richard (Ottawa East)
Eudes	Robichaud
Fisher	Tardif
Godin	Tucker
Granger	Winch—34.

NAYS

Messrs.

Aiken	Bell (Saint John-Albert)
Allard	Best
Beech	Bigg
Bissonnette	Macquarrie
Bourdages	McCleave
Brassard (Chicoutimi)	McDonald (Hamilton South)
Brooks	McFarlane
Browne (St. John's West)	McGee
Browne (Vancouver-Kingsway)	McGrath
Cadieu	McIntosh
Casselman, Mrs.	McLennan
Charlton	Martineau
Chown	Matthews
Churchill	Milligan
Comtois	Monteith (Verdun)
Creaghan	Montgomery
Crouse	Muir (Cape Breton North and Victoria)
Diefenbaker	Nasserden
Dorion	Nowlan
Drysdale	O'Hurley
Dubois	Pallett
English	Pascoe
Fairclough, Mrs.	Paul
Fairfield	Payne
Fleming (Eglinton)	Pearkes
Fleming (Okanagan-Revelstoke)	Pigeon
Fulton	Rapp
Grafftey	Ricard
Grills	Rompre
Gundlock	Sevigny
Halpenny	Small
Hamilton (Qu'Appelle)	Smallwood
Harkness	Smith (Lincoln)
Hees	Smith (Simcoe North)
Horner (Acadia)	Southam
Horner (Jasper-Edson)	Speakman
Horner (The Battlefords)	Spencer
Johnson	Stanton
Jung	Starr
Keays	Stewart
Knowles	Tassé
Korchinski	Thomas
Kucherepa	Thompson
Lambert	Thrasher
Legere	Tremblay
Lennard	Valade
Letourneau	Villeneuve
Macdonald (Kings)	Walker
Macdonnell	Webb
MacInnis	White—101.
MacLean (Queens)	

Mr. Speaker: The question is on the main motion. Is the house ready for the question?

Some hon. Members: Aye.

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

YEAS

Messrs.

Aiken	Chown
Allard	Churchill
Beech	Comtois
Bell (Saint John-Albert)	Creaghan
Best	Crouse
Bigg	Diefenbaker
Bissonnette	Dorion
Bourdages	Drysdale
Brassard (Chicoutimi)	Dubois
Brooks	English
Browne (St. John's West)	Fairclough, Mrs.
Browne (Vancouver-Kingsway)	Fairfield
Cadieu	Fleming (Eglinton)
Casselman, Mrs.	Fleming (Okanagan-Revelstoke)
Charlton	Fulton

Grafftey	Montgomery
Grills	Muir (Cape Breton
Gundlock	North and Victoria)
Halpenny	Nasserden
Hamilton (Qu'Appelle)	Nowlan
Harkness	O'Hurley
Hees	Pallett
Horner (Acadia)	Pascoe
Horner (Jasper-Edson)	Paul
Horner (The Battlefords)	Payne
Johnson	Pearkes
Jung	Pigeon
Keays	Rapp
Knowles	Ricard
Korchinski	Rompre
Kucherepa	Sevigny
Lambert	Small
Legere	Smallwood
Lennard	Smith (Lincoln)
Letourneau	Smith (Simcoe North)
Macdonald (Kings)	Southam
Macdonnell	Speakman
MacInnis	Spencer
MacLean (Queens)	Stanton
Macquarrie	Starr
McCleave	Stewart
McDonald	Tassé
(Hamilton South)	Thomas
McFarlane	Thompson
McGee	Thrasher
McGrath	Tremblay
McIntosh	Valade
McLennan	Villeneuve
Martineau	Walker
Matthews	Webb
Milligan	White—101.
Monteith (Verdun)	

NAYS

Messrs.

Argue	Habel
Badanai	Hellyer
Batten	Herridge
Boivin	Howard
Boulanger	McIlraith
Bourget	McMillan
Caron	Martin (Essex East)
Carter	Michaud
Chevrier	Pearson
Crestohl	Peters
Denis	Pickersgill
Deschatelets	Regier
Dumas	Richard (Ottawa East)
Eudes	Robichaud
Fisher	Tardif
Godin	Tucker
Granger	Winch—34.

Motion agreed to on division, bill read the third time and passed.

JUDGES ACT

PROVISION FOR ADDITIONAL JUDGE IN PRINCE EDWARD ISLAND

Hon. E. D. Fulton (Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act to provide salary for an additional judge of the supreme court of judicature of Prince Edward Island.

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

Judges Act

Mr. Fulton: Mr. Chairman, this is a very short resolution and a very simple proposition and I am sure the committee will not want me to take very much time in discussing it. There has been provision since 1925 in the judicature act of Prince Edward Island for the position of a fourth judge of their high court. As a matter of fact the first move in this regard was made in 1922 when the appointment was requested. The matter has been the subject of correspondence and discussion between the government of that province and the federal government during all that time. It has come particularly to a head since the amendment to the Supreme Court of Canada Act under which appeals as of right to the Supreme Court of Canada in civil matters were limited to matters involving the sum of $10,000 or more.

I am sure that all hon. members will appreciate that this has meant that appeals from the provincial court to the Supreme Court of Canada have been substantially limited with the result that it becomes of increasing importance to provide an effective court of appeal for the province and particularly for a province like Prince Edward Island.

At the present time with only three judges on the court there the situation is that where one judge sits, as he does, as a judge of the trial court and then when appeal is taken from him to the provincial court of appeal it comes before the remaining two judges with the result that there is frequently a split decision and therefore the litigant has in effect no final decision at all. That, of course, means that any litigant desirous of finality with respect to the issues involved in his case must appeal to the Supreme Court of Canada. In the light of the facts I have outlined with regard to the limitation on appeals and with regard to the expense of appeals it means that the province finds itself in very real difficulties and in fact without a proper court of appeal for the province. Litigants are in a very unsatisfactory situation in that province.

The requests, therefore, for the appointment of a fourth judge have been pressed increasingly, certainly ever since we took office in 1957. I asked that I might receive a unanimous expression of opinion not only from the law society of the province which has itself pressed this matter but also an indication that the government of the province was in accord with this suggestion as well. That indication having been forthcoming it is my view that in the interests of the administration of justice in the province of

Prince Edward Island this house should accept the resolution and pass a bill based thereon authorizing the appointment and salary for the fourth judge.

I might also bring to the attention of the committee the fact that it is the intention of the government of Prince Edward Island, if this resolution and the bill based upon it pass, to provide a fourth judge for that province, to discontinue the appointment of a special judge in probate matters and, as they have already the authority to do, to transfer the jurisdiction in probate matters to the supreme court thus ensuring that that court and particularly the result of the extra appointment will not mean that there is a lack of ordinary judicial work for the judges of that court to do.

Mr. Pickersgill: Mr. Chairman, this is a very extraordinary matter to come before the committee at this stage of the session. We have already had amendments to the Judges Act, some of them very recently, and the minister has told us that this matter has been under consideration since 1922. It seems to me that in view of the very important matters that this house is to consider, this sudden and precipitate decision by the government needs a lot more explanation than has yet been given us by the minister. When judges were provided for some of the courts in the other provinces which have rather more to do than the supreme court of Prince Edward Island, surely if this problem was as urgent as the minister now suggests it was it could have been decided on at that time.

The result of this resolution is that Prince Edward Island with 100,000 people is going to have seven judges, four in the high court and three in the county courts. In the province, one of whose constituencies I represent, there are three high court judges and two county court judges.

Mr. MacInnis: How many constituencies?

Mr. Pickersgill: The population of Newfoundland is four or five times as large as that of Prince Edward Island and there is a great deal more litigation there.

It does seem to me that the minister ought to tell us why it is that this matter could not have been dealt with when other amendments to the Judges Act were brought forward earlier in the session. Why was this sudden decision made? I suggest to the minister that what Prince Edward Island wants is a causeway and not another judge, and that the idea that another judge will be appointed is not going to persuade the people of Prince Edward Island that what they voted for last September is what they are getting from this government now.

The minister also ought to reassure us before the committee decides that this extra money should be spent from the treasury of Canada that it is really for judicial reasons and not for political reasons that this is being done.

Some hon. Members: Oh, oh.

Mr. Pickersgill: We ought to be assured by the minister that this is not being done simply to avoid an embarrassing situation in the assembly of Prince Edward Island. I am not saying it is; I am just asking the minister to assure us that it is not.

I should like the minister also to assure us that no decision has yet been made as to who is to be appointed to this vacancy; that the decision will not be made until after parliament has acted and when the decision is made a proper consideration will be given to the relative qualifications of all the candidates and not to the convenience of certain persons in that province.

Mr. Fulton: Mr. Chairman, some of the hon. gentleman's questions are more deserving of answers than some of the questions he usually asks because he asked me to give an assurance that no decision has as yet been made as to who will be appointed. I think the hon. gentleman must have in mind the very improper suggestion that was made by the premier of Newfoundland when I went down to visit him, that if I would assure him as to the kind of appointment we would make then he would proclaim the act creating the fourth position. That, of course, is the kind of suggestion which emanates from Newfoundland, which has been reflected and echoed by the hon. member for Bonavista-Twillingate. I assured the premier of that province that when we make appointments we make them based upon the considerations that it is proper to take into account at the time. I can assure the hon. gentleman that notwithstanding his improper suggestion for making an appointment of a judge to the vacancy in Prince Edward Island, we shall have the considerations in mind that it is proper to bear in mind in selecting the person best qualified to fill the position, as this government has done consistently since it assumed office in 1957. I can assure the hon. member that if the premier of Newfoundland will proclaim that section of their act, then the same considerations will be borne in mind and come to bear in making the appointment of the fourth judge in that province after we have put through the amendment to the Judges Act here.

He asks why was this not done earlier; he talks about precipitous hurry. The hon. gentleman must appreciate that we have considered this matter very carefully during all those months, indeed years, since we assumed office in 1957. There were a number of considerations to be borne in mind. There was the question of jurisdiction; the question of whether we could confer supreme court jurisdiction upon the present probate judge in Prince Edward Island; whether that might be a better solution, if it was one that was open to us. This has been very carefully examined by my officers and we came to the conclusion—and I think it might have been on the face of it a rather acceptable solution to the situation—that there were constitutional problems and difficulties in the way and that was not unfortunately open to us as a solution of the problem of creating a fourth supreme court judge for Prince Edward Island.

These matters have been under consideration and discussion until quite recently, when we came to the conclusion that the only way to provide that province with an effective court of appeal was by the creation or appointment of a fourth judge, necessitating a request to parliament to authorize the payment of salary.

As I have pointed out to the committee, the decision has involved discussions between this government and the provincial government, and that government has recently indicated to us that if this course is followed it would be prepared to discontinue the appointment of a judge in that province under provincial authority with special jurisdiction in probate matters and transfer probate authority to judges of the supreme court of the province whom we will be appointing.

I think most every hon. member will appreciate the importance of providing to a province an effective court of appeal. The situation over the past number of years has been very unsatisfactory in Prince Edward Island from the point of view of disposition of appeals. We find the situation so now that there is an important election appeal the jurisdiction over which by the proper legislation is vested in the supreme court judges, where one judge heard the appeal in the initial case, another judge considered himself disqualified, and threw the appeal case to a single judge, the single remaining judge of the present supreme court. Therefore, we have an appeal from one judge to a court of one judge, and I am quite certain even my hon. friend from Bonavista-Twillingate would agree that that is not a satisfactory state of affairs. But that sort of situation has been multiplied in Prince Edward Island, not only with respect to matters such as the one I have just mentioned but with respect to actions involving issues which to the people of that province are very important not only with respect to the amount of money involved but with respect to the rights and obligations of their citizens which are at issue in these matters.

It is the feeling of this government with respect to the administration of justice that it is absolutely essential the people of a province should have the feeling that their litigation is disposed of in a manner which indicates to them that they have had a fair hearing initially and that they have had a fair opportunity of appeal to a higher court before which tribunal their cases and the issues involved will be disposed of and decided by a court which can in the very proper sense of the word be called a court of appeal.

It is because we are prepared to see that the people of Prince Edward Island, just as we believe the people of every other province, should have a proper court of appeal that we recommend this resolution to the committee.

Mr. Pickersgill: Mr. Chairman, the minister has made a very touching case. He has suggested that some time between the last amendment to the Judges Act and this, which is perhaps almost a fortnight, lightning has struck and the government has suddenly been convinced of something of which since 1922, up until two weeks ago, no government has apparently been convinced. Since hon. gentlemen could not convince themselves two weeks ago that, in the first place, strains our credulity somewhat.

In the second place, when we remember this is the same government that left the supreme court of Newfoundland for months, for an unprecedented period, without a chief justice at all because they could not make up their minds who should be appointed to that office, this sudden desire to give a province with only 100,000 people four judges in its supreme court is, I must say, an application to duty which is, to say the least, unusual in Her Majesty's present advisers.

I did not introduce the subject, Mr. Chairman, but I draw your attention to the fact that the minister has chosen to make certain insinuations about the premier of Newfoundland and has suggested that if the premier of Newfoundland would proclaim something then something would be done.

Mr. Fulton: You referred to Newfoundland first.

Mr. Pickersgill: I must say that in Newfoundland as in the other provinces of Canada the premier does not proclaim anything, that the proclamations are made by the governor

in council under our constitutional procedure, and it rather surprised me that the minister should be so loose in his language. The minister knows perfectly well, just as every Canadian knows who knows anything about the history of this country, that there are certain traditional conventions that should be observed with regard to the appointment of judges. They are observed in every province and I do not see why an exception should be made in the case of Newfoundland except that for some reason or other this government seems to desire to make an exception of Newfoundland in every respect, and one can draw only one conclusion about that.

However, we are not debating Newfoundland; we are debating Prince Edward Island. I must say that in principle I perfectly agree with the minister. In principle I agree that with the situation which has existed in Prince Edward Island since confederation so far as I know, but for a very long time in any case, it is a very undesirable thing to have one court with only three judges because there is the problem of securing a proper decision on appeal. But I might also point out that for several months in the province of Newfoundland, because of the dereliction of duty of the present government, we only had two high court judges and no decisions on appeals could be made.

An hon. Member: You had Joey.

Mr. Pickersgill: Despite repeated efforts on the part of the opposition to stir up the government to do their duty, they did nothing about it and now they are holding up the termination of the session to treat as a matter of urgency a problem which could perfectly well have been left until later.

Mr. Nowlan: Who is holding up the session?

Mr. Pickersgill: I might draw the attention of the Minister of National Revenue to the fact that I would not have been able to speak on this subject at all if the government had not introduced the resolution, of which they gave us no notice until Saturday, which was at no time suggested as one of the measures to be brought before us and which, when we were last told everything that the government intended to bring forward, was not included. What is the sudden urgency about it?

Mr. McIlraith: What about the attorney general?

Mr. Pickersgill: The hon. member for Ottawa West says, "What about the attorney general?" I am not going to make any allegations because I would hate to try to read the mind of this government or of any member of the government, but I hope that before the resolution passes the Attorney General of Canada will give us an unequivocal assurance that no deal has been made to give this job to the attorney general of the province.

Mr. Nowlan: Is the hon. member for Bonavista-Twillingate opposed to the motion?

Mr. Pickersgill: Yes, I think I can say that on balance I am opposed to bringing in the motion at this time. I am certainly opposed to having one law for Prince Edward Island and another law for a province with nearly five times the population. But what I think is of much more concern in this particular case is that this matter is not one of those things that was brought forward in the ordinary way in the session and it is hard for me and for anyone, I think, to believe that suddenly in the year 1960 Prince Edward Island, which has been a part of Canada since 1873—

An hon. Member: You have said that.

Mr. Pickersgill: —finds itself in a position that it becomes a matter of the utmost urgency to have an extra judge in that province.

Mr. Nowlan: Mr. Chairman, would the hon. member permit me a question? Whether it is suddenly after waiting since 1873, as he said, or imperceptibly like a glacier coming down from Greenland from prior to 1,000 A.D., is he in favour of this measure or is he against it?

Mr. Pickersgill: I do not think it has anything to do with glaciers. It seems to me that this is one of those cases where it was not a matter of glaciers but rather a question of for whom the bell tolls, if the hon. member understands my allusion.

Mr. Nowlan: Well, we certainly know for whom the bell tolls.

Mr. Pickersgill: Mr. Chairman, I do not know who has the floor at the moment but I thought I had. I do think that we should be given a categorical assurance by the Minister of Justice that there is no intention on the part of the government to give this judgeship to a defeated candidate for the provincial leadership of the Tory party.

Mr. Fulton: Mr. Chairman, I would not intervene in this debate if it were not necessary once again to correct the many inaccuracies of the hon. member for Bonavista-Twillingate. I can assure him that I do not know for whom the bell tolls but I have an idea that if he continues his present tactics there will be a paean of joy rung on the bells of Bonavista-Twillingate when the hon. member is

defeated because of the many misrepresentations he makes in the house.

He said that I had brought up the subject of Newfoundland but I did not do so. The hon. member first mentioned Newfoundland by making an inaccurate allegation as to the position in that province and he has just repeated that allegation.

Mr. Pickersgill: I merely gave the number of judges.

Mr. Fulton: He says he does not understand why there should be one law for one province and another law for a province with five times the population. The solution of that problem, in so far as it relates to the number of judges on the court in Newfoundland, lies in the hands of the government of Newfoundland. All they have to do is to proclaim their act and, as has been assured to them on many occasions, there will be an amendment introduced in order to provide the salary of an extra judge and an appointment will be made. That is inaccuracy No. 1. The hon. member suggests that somehow or other this government is depriving Newfoundland of the right to have a fourth judge.

Mr. Pickersgill: I did not say that at all.

Mr. Fulton: He said he could not understand why there should be one law for one province and another law for another. If he will tell me how we can provide the salary and appoint a judge for whom a vacancy does not exist, I will begin to believe he is the magician that he himself thought he was when he sat over here. These matters perhaps are not important except that people do read *Hansard*. As his second inaccuracy, the hon. member said that we deferred the appointment of a chief justice of Newfoundland for an unprecedented time.

Mr. Pickersgill: That is right.

Mr. Fulton: That shows you, Mr. Chairman, just what attention my hon. friends pay to the many, many papers and information with whose production they plague the House of Commons. Last year the hon. member for Bonavista-Twillingate asked me to produce a table showing particulars of the length of time taken for the appointment of judges to fill vacancies in the courts of Canada. I remember that when this matter came up last session I was able to satisfy him that the time taken to appoint a chief justice of Newfoundland was as nothing compared with the length of time that had been taken in the past history of the country by both Conservative and particularly Liberal governments with regard to the appointment of puisne judges and the appointment of chief justices of provinces.

The hon. member was satisfied on that occasion but he has conveniently forgotten this information and the fact that we appointed a chief justice of Newfoundland within many months before the average time that has been taken in the case of many similar appointments in the past. I do not think, Mr. Chairman, that much hangs on this. I wanted to demonstrate to the house how once again for his petty personal reasons the hon. member for Bonavista-Twillingate has been opposed to the genuine interests of one of the other maritime provinces.

Resolution reported and concurred in.

Mr. Fulton thereupon moved for leave to introduce Bill No. C-89, to amend the Judges Act.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read the second time? Now?

Mr. Fulton: Now.

Mr. Pickersgill: Next sitting.

Mr. Speaker: Next sitting of the house.

HUMAN RIGHTS

MEASURE PROVIDING FOR RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Right Hon. J. G. Diefenbaker (Prime Minister) moved that the house go into committee to consider Bill No. C-79, to provide for the recognition and protection of human rights and fundamental freedoms.

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

On clause 1—*Recognition and declaration of right and freedoms.*

Mr. Fulton: Mr. Chairman, I understand that the amendments recommended by the special committee on the bill of rights have been reprinted in a new bill, which is available for distribution. Therefore, I would suggest, if it meets the convenience of hon. members, that the bill before them for consideration might be the bill as reprinted. Then, as we arranged on an earlier occasion, I would suggest that you call the clauses in this way, "Shall the clause as amended by the special committee carry?"

The Chairman: Shall clause 1 carry?

Mr. Martin (Essex East): Is the Prime Minister going to introduce the measure, or the Minister of Justice?

Mr. Diefenbaker: Mr. Chairman, this bill was considered very extensively in the special committee and was discussed at length on

second reading. I see no reason why any statement need be made by me at this time.

Mr. Martin (Essex East): Mr. Chairman, I just want to point out that there were a considerable number of changes made in the bill. If the Prime Minister does not feel that he wishes to initiate the discussion, following the consideration of the bill by the special committee on human rights and fundamental freedoms, of course that is a decision which he alone can take. But as there were a limited number of members of this house on that committee one would have thought there would have been an explanation made of the changes for the benefit of the membership of the house as a whole.

Mr. Fulton: Mr. Chairman, if it will be of assistance to the committee, I would be glad to make a few remarks upon the bill as it has been reported from the special committee.

I think that hon. members reading the bill and comparing it with the bill that was given second reading recently in this chamber will note that the first change is that there has been added a preamble, which appears in the reprinted bill.

Then hon. members will note that clause 1 in the original bill, which was a short paragraph containing the title, has been moved down to the position which it now occupies of clause 4; and clauses 2, 3 and 4 have been renumbered as 1, 2 and 3.

This is in accord with a feeling, which I think was universally agreed to by the committee, that the Canadian bill of rights should be in a form which would render it capable and readily adaptable to be reprinted, reproduced and framed, mounted on walls of schools, church halls and assembly halls, and other similar places, so that it would become familiar in a readily understandable and easily recognizable form to the greatest possible number of people, and especially to younger Canadians.

In accordance with that feeling it was decided that in so far as possible those provisions, having what might be described as a purely legalistic connotation, should be shortened, if that could be done, and that the framework and construction of the bill should be so altered as to remove, or subordinate to a lesser position those portions of the bill having this characteristic.

It was in accord with that sentiment that it was decided to put the title, which is in a sense a legalistic part of a statute, in the position of clause 4.

With respect to the clause now appearing as clause 1, an amendment was made in the introductory words by way of the deletion of the word "always" in line 19. The original bill read:

> It is hereby recognized and declared that in Canada there have always existed and shall continue to exist—

And so on. It was the feeling of a number of witnesses, concurred in, I think, by the majority if not all the members of the committee, that perhaps this was an over-statement of the case. I expressed my own view that there was good justification for the word "always". But as we were trying to achieve a bill of rights that would be in so far as possible the unanimous opinion of members concerned I indicated my agreement with the deletion of the word "always". I do not think it changes the effect greatly, and therefore it was a change in which I was prepared to concur.

The next change in clause 1 is again in the introductory words. There was a considerable body of opinion expressed in the committee that the non-discriminatory features of the bill were not sufficiently emphasized, and an amendment was moved to clause 1 to insert a special provision with regard to non-discrimination. I pointed out in the committee that in our view the non-discrimination feature was really adequately protected by the provision in paragraph (b). This ensured the right of the individual to equality before the law as it was originally phrased, "without discrimination by reason of race, national origin, colour, religion or sex". In this way, having firstly defined in paragraph (a) the basic rights of the individual, then giving the individual the right of recourse to the courts and protection of the law without discrimination, in effect that would enable the individual to enjoy these rights without discrimination.

However, there was, as I say, this substantial body of opinion which felt it might be desirable to re-emphasize the intent of the parliament of Canada to ensure non-discrimination as a feature of the bill of rights. We accordingly worked out a proposal under which the non-discriminatory feature could be inserted in the introductory words, and I presented that to the committee and the committee adopted it.

So the introductory words now read:

> —that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,—

Then they are enumerated. The effect of that change is to provide that the rights enumerated in all the subparagraphs are now thus qualified by the words "that those rights

shall be enjoyed without discrimination by reason of race, national origin, colour, religion or sex".

There was then a consequential amendment to subparagraph (b), which I read earlier in its original form, and which now appears in amended form in the reprinted bill.

The next major change was with respect to clause 2. If hon. members will compare the introductory words of clause 2 with the introductory words of clause 3 as it appeared in the original bill, they will see there has been a considerable shortening of the introductory words. This again was in keeping with the feeling of the committee that in so far as it was possible this part of the bill of rights embraced under the heading of Part I should be readily capable of reproduction in a form which would make it suitable for framing and hanging up on the walls of schools and similar places, and that we should as far as we could eliminate all legalistic phrases and expressions.

I think hon. members will agree with me that there is no reflection or criticism of the draftsmanship because we were drafting a statute to have legal effect. I think they will agree that the words of clause 3 in the original bill as they appeared would be, shall I say, rather difficult for school children to memorize. So we agreed that this might be solved by taking some of those words out and puttting them in an interpretation clause which appears in a later part of the bill, now appearing in clause 5, the effect of which has been to shorten and simplify the introductory words of present clause 2.

Then there were a number of minor but still important changes in the particulars of subparagraphs (a) to (f) as they appear in clause 2, the details and import of which I think will be quite apparent as they are read and compared with the original wording of that clause.

The next important amendment I think I should mention is with respect to clause 3 as it appears in the reprinted bill, clause 4 of the original bill. This is the clause which imposes on the Minister of Justice the obligation of examining every proposed regulation submitted in draft form to the clerk of the privy council and every bill introduced in or presented to the House of Commons in order to ascertain whether any of the provisions thereof are inconsistent with the purposes and provisions of that part of the bill.

It was suggested to us in committee that while this might impose an obligation on the Minister of Justice to satisfy himself with regard to the existence or the non-existence of any inconsistencies, there seemed to be no concurrent obligation imposed upon him to bring his views by way of report before the House of Commons. Mr. Chairman, to my mind that was implicit in the earlier part of that provision which said that:

> The Minister of Justice shall, in accordance with such regulations as may be prescribed by the governor in council—

I felt it was an inescapable and necessary implication that in the regulations that the governor in council might make as to the manner in which and the means by which the Minister of Justice would discharge this obligation, the way in which the minister would report the results of his examination to the House of Commons or to parliament would also be covered. However, hon. members felt that this specific obligation of reporting should be imposed upon the minister by specific provision in the bill, and since this seemed to me to impose no greater obligation than I thought was implicit in the clause in any event I felt there was no objection whatsoever to the insertion in the clause of a specific requirement that the minister should make the report to the House of Commons with respect to his examination at the first convenient opportunity.

Then the next change is the change in present clause 5 of the reprinted bill. As compared with clause 5 of the original print it will be observed that that clause is now divided into two subclauses. This is made necessary by the addition as subclause 2 of many of the words formerly contained in present clause 2 of the bill which, as I have explained to the committee, were taken out of the original draft and are now to be found included as subclause 2 of clause 5.

Mr. Martin (Essex East): Formerly in clause 3.

Mr. Fulton: Quite so, in clause 3. Those words were found in clause 3 of the original print.

Mr. Chairman, I think those are the major changes which I wish to bring to the attention of the committee. Many other changes indeed were suggested in the committee. Some of the changes which I have reported were agreed to as the result of suggestions made by hon. members of the opposition. Many of them, however, were the result of further consideration by the government itself.

The feature to which I should draw attention in particular with respect to the changes suggested in the special committee is that those changes in almost every case constituted what I have described as an attempt to reduce the bill of rights to a bill of particulars. With respect to most of those suggestions I think two observations should be

made. First, in many cases they were already covered in the wording of the present bill and therefore it was unnecessary to include them as specific matters. Second, they were in almost every case taken from specific clauses of the universal declaration of human rights as adopted by the United Nations.

Mr. Regier: The Tories have all gone home.

Mr. Fulton: In case that observation was recorded in *Hansard*, I can say even without pausing to look around that I am quite sure there are enough Tories here to take care of hon. members opposite.

What I was saying was that in most cases these suggestions for amendments were taken from the universal declaration of human rights. The interesting thing to note, and I am sure we will have occasion to discuss this here, is the selection made by members of the opposition who suggested these changes. One might just as well ask, "Why did you choose certain articles, for instance articles XV, XVI, XXII, XXIII, XXV, and why did you leave out other articles?" Hon. members opposite are going to say that the government majority in the committee rejected provisions of the universal declaration of human rights which have already been subscribed to by Canada.

Mr. Chairman, that is perfectly true. We rejected many of them because they would have constituted a bill of particulars instead of a general bill of rights, and because in many cases they were covered already in the bill of rights. In many other cases they were inapplicable to the kind of bill of rights which was before the committee. But if hon. members opposite persist in that criticism and say, "You rejected clauses in the universal declaration to which Canada has subscribed", I would return the answer to them by saying, "Why is it you only picked certain of these clauses from the universal declaration for inclusion; why are you picking and choosing between what is in the universal declaration and suggesting that only some of them be included in the Canadian bill of rights? If they are all desirable, as we say they are, as a statement of objectives and you think some of them should be included, what do you think about the rest?" This means, with the necessary implications, that those who have said that the others should be rejected, if they apply that criticism to us that by refusing to accept them as part of our bill of rights, we are therefore necessarily rejecting them as matters of general application or statement of general objectives to be achieved by the freedom loving nations.

So I simply conclude by saying that I think the bill as it came out of the committee is an improved bill compared with the form in which it went into the committee. In saying this I merely repeat what I have said before, that there is much advantage to be gained from the calm and deliberate study of proposals such as this by members of parliament in an atmosphere where they can bring their collective judgment to bear upon proposals which are of interest to all members of the house and to all parts of the nation, where the proceedings are not merely party documents.

I know the Prime Minister in moving this proposal—a proposal which has been dear to his heart and mind in all the years he has been in public life—was proud, as any one of us would be proud, to bring this proposal to fruition. He has, nevertheless, regarded it as a document for Canadians and a document for the representatives of Canadians in the Canadian parliament, particularly in the Canadian House of Commons of which we all share the privileges as well as the responsibilities of membership. It is in that spirit that these matters were discussed with the members of the committee. I am glad there have been changes made. I am glad that a preamble which carried the unanimous judgment of the committee has been set out, a preamble which, I believe, constitutes a splendid declaration of the views of the parliament of Canada as to the principles and bases on which it is founded and by means of which it will ensure its continuance as a free and Christian democracy.

An hon. Member: And what a phoney it is.

Mr. Fulton: I gather that a member of the C.C.F. party does not agree with those principles. I should be interested to hear from him as to the respects in which he is opposed to them. However, I know that to the majority, if not to all the members of this house, these principles will commend themselves as being the best declaration that this house can make as to the bases upon which it was founded and the principles to which it subscribes.

Mr. Pearson: When this bill which is now before us was given second reading we were told by a long list of Conservative members beginning with the Prime Minister himself that this bill would be a landmark in Canadian history and that it would be a monument to the Prime Minister who introduced it.

Mr. Fulton: Hear, hear.

Mr. Pearson: That is what we were told. This bill which is now before us after consideration in committee is a very different bill from that which we discussed on second

reading and therefore we have some reason to be surprised that this discussion in the committee of the whole was not initiated by the Prime Minister in whose name the bill stands.

Mr. Chairman, we on this side have declared our position on second reading in regard to the principles embodied in the measure which is now before us. We voted for this bill on second reading because, naturally, we approved of the principles which the bill seeks to sustain, protect and extend—human rights and fundamental freedoms. We voted for the bill, also, because that is the way by which it could be referred to a committee where the changes, for which we hoped could be made to the measure now before us in order to make it a better bill. And changes have been made.

There are, of course, various ways by which our freedom and our rights have been and could be protected, but there are many people in Canada, no doubt, who feel now that a statute of this kind—a declaratory statute, because that is all this bill is—is important in view of the changed situation of today, important, if you like, as a rallying point for a crusade against those forces which would weaken our rights and liberties; as a bulwark against attack by those forces or, as an antidote against what is more important, perhaps, than a direct attack—erosion based on indifference to those forces.

Feeling that way, we naturally hoped on this side that if parliament was to proceed in this direction we would have the best bill possible leave this house. That is our view, stated from 1958 when the first bill was introduced. It meant, in our judgment, a bill of rights which would in its terms cover all Canadians. That would mean a national bill of rights with provincial participation so that it could cover all Canadians in all jurisdictions.

We have pressed for that course from the very beginning, from September 5, 1958, when the predecessor of this bill was first introduced into this house by the Prime Minister. Speaking at that time in September, 1958, as reported on page 4652 of *Hansard*, I ventured to make certain suggestions to the Prime Minister and the government. One was that there should be the widest possible circulation of the bill to organizations and to individuals who had shown an interest in this question. Second, I suggested that there should be set up at the next session to consider the measure a joint committee with broad powers. I draw attention particularly to the third suggestion which I made on that occasion, namely:

> Third, and this is something even more important that might be done, we should try to secure the support and co-operation of the provinces for any Canadian action in this field. Indeed, as a result of consultation with the provinces it might be possible to widen the action so as to include both the federal government and provincial governments in a joint declaration on individual rights and freedoms. Then indeed we would have a powerful symbol.

The Prime Minister intervened to ask:

> What are the hon. gentleman's hopes in that direction, on the basis of his own experience?

To which I replied:

> I would not like to put my hopes either very high or very low, but I have learned over the years not to give up the search for an objective because it does not seem easily obtainable.

Then, a little later, I said:

> I am putting forward the possibility at least of making that approach—

That is, to the provinces

> —in connection with all the interest which will now be raised in this matter through the introduction of this bill. Between now and the next session of parliament consideration will be given to it by private organizations and individuals. Perhaps it is not too much to expect that the provinces will also give consideration now to this fundamental question in the light of the move that is being proposed by the federal government.

I returned to this aspect of the question on February 10, 1959, as reported at page 857 of *Hansard*. I asked the Prime Minister on that day:

> Can the Prime Minister inform the house whether any approach has been made by the government to the provincial governments in respect of the adequacy or otherwise of this particular bill?

The Prime Minister replied:

> The answer would be a simple no, Mr. Speaker, but I do not think that would cover the situation. The hon. gentleman will remember that some years ago, while one or other of those committees was sitting, the provinces were communicated with and the attorneys general of the several provinces asked for their opinions and reactions. At that time it seemed to be generally accepted by the government of that day that a bill of rights in the form of an amendment to the constitution which would cover not only those rights that are specifically allotted to parliament but as well those which fall within provincial jurisdiction was not acceptable to many of the provinces.

As recently as July 1 of this year, as reported at page 5648 of *Hansard*, only a few weeks ago, the Prime Minister said:

> As far as constitutional amendment is concerned, it is impossible of attainment at this time.

The hon. member for Vancouver East interjected, "Why?"

The Prime Minister replied:

> Simply because of the fact that the consent of the provinces to any interference with property and civil rights cannot be secured.

We know that as late as July of this year no effort was made by the government to approach the provinces to see if some progress

could not be made in converting this bill into a national bill of rights. We were told that it would be a waste of time, that there would be no possibility of success in that direction.

Surely the events of last week at the conference between the federal and provincial governments demonstrated conclusively that it would not have been a waste of time during those two years to have consulted with the provinces on this important matter. The government has now been prodded by the provinces themselves to do what this government should have been doing during the last two years and that is to discuss together the possibility of a national bill of rights made possible through constitutional amendments.

Instead of taking that course the government decided to press ahead with the passage of a federal bill or rights limited to matters under federal jurisdiction. The government having taken that position, as I said, when the bill was brought before us on second reading we supported it and we supported sending it to a committee so that it could be examined but we did object strenuously to the procedure which was followed in regard to the consideration given to this matter as a federal matter. That procedure as we see it has been entirely unsatisfactory in regard to the importance of this matter and the time that should have been allotted to its consideration by this parliament and by those outside parliament who are as interested in this matter as we are. Indeed, in our view that has been an example of how not to proceed in regard to a matter of such vital importance.

We recall, and it is already on the record in the debate on second reading, that an assurance was given by the Prime Minister last September that early this session the bill would be submitted to a joint committee of both houses. That is what we had asked for and what we continued to ask for in this session. As early as January 19, 1960, I believe only four days after parliament convened, I asked the Prime Minister if he would:

> —inform the house whether it is his intention to send the bill of rights to a committee, and if so, what kind of committee?

The Prime Minister replied:

> Mr. Speaker, when the bill of rights is introduced there will be a discussion and an indication as to the procedure to be followed.

I then asked:

> Mr. Speaker, I ask the Prime Minister if he does not think it would be fair to the opposition to let them know in advance of the introduction of the bill and the procedure which will be followed with regard to its later consideration.

[Mr. Pearson.]

The Prime Minister said:

> I agree entirely.

The question was brought up again on February 10 by the hon. member for Cartier, who asked the Prime Minister:

> Can the Prime Minister inform the house when he plans to introduce the bill of rights, and does he plan to set up a parliamentary committee to which he will refer the bill for study?

The Prime Minister replied:

> Mr. Speaker, when the house leader is here and it becomes convenient to indicate the date of introduction, the entire process to be followed will then be made clear to members of the house, well in advance of the beginning of discussion.

We waited for a while. The next question asked on this side of the house was asked by the hon. member for Skeena on March 11 when the hon. gentleman inquired:

> Mr. Speaker, I wish to direct a question to the Prime Minister, and ask if he could give any indication to the house as to when we might expect the introduction of the proposed bill of rights.

There was a characteristic interjection by an unidentified hon. member who said:

> As soon as you stop talking.

The Prime Minister replied:

> Mr. Speaker, this is a matter I am most anxious to have proceeded with at the earliest possible date, but for some reason we are not making the progress that would permit introduction of this important measure.

Mr. Fulton: Quite right, too.

Mr. Pearson: Then on June 8, after a lapse of some weeks, I asked the Prime Minister if he could tell us then and we were told, as reported at page 4661 of *Hansard* that in a few days he hoped to be able to let the house know when the bill would be proceeded with. On June 22 the question was brought up again and the Prime Minister said he hoped to be able to tell us the next week on Wednesday or Thursday subject to considerations arising out of conversations between the party leaders.

This is the record of our attempt to find out when the bill would be introduced. Having been assured that it would be introduced as soon as possible and that there would be ample consideration in advance so hon. members of the government and the opposition could prepare for the work of the committee, on June 28 we were told that on July 1 the bill would be introduced and that the committee which would be set up could take all the time that was required to consider it no matter how long they were required to meet in session during the summer. As we know the committee was set up. It obviously worked under great pressure because of the timing of its setting up.

Mr. Fulton: The only pressure was that of the hon. member for Essex East.

Mr. Pearson: It was a committee that we were promised would have every opportunity to do its work, carefully assess the bill, summon witnesses from outside and carry on its work without unnecessary interference with hon. members' duties in the house. That committee was set up in the first week of July. The minister may say what he likes but that is the way the government carried out its promise and the commitment we had every reason to believe we had secured as to the way this matter would be dealt with in this House of Commons, this matter which was of such vital importance, so we were told, to the people of this country.

No one can say that in the way the committee worked, because of the pressure of time and because we were approaching the end of our session, there was the same opportunity for careful consideration, with witnesses to be summoned from all the provinces if they were interested, the kind of consideration that could have been given if the committee had been set up earlier in the session. That is no reflection on the work that was done in the committee because it worked under great pressure and in the face of those difficulties some very splendid work was done. As a result of that work we have a much better bill.

The minister mentioned some of the changes that were introduced in the committee. He did not mention all of them. The record of the committee hearings will show how those changes were brought about, and the constructive efforts that were made by members on this side to improve this bill, and the results of those efforts.

Tonight the minister had something to say about the improvement of the bill with regard to the inclusion of a preamble, a preamble couched in such terms that it would be suitable for display to school children, for wall display, and all that kind of thing. I think it is a good preamble. But the minister may also remember that when on second reading we on this side talked about the desirability of having a preamble, of making this bill an impressive one for the very purpose which the minister mentioned, we were laughed at and the minister asked, did we want a bill or poetry.

Mr. Fulton: That had no relation to the preamble.

Mr. Pearson: We have a preamble now, and I say it is a good one. It is one change which makes it a better bill. There are other changes which will be dealt with by my colleagues on this side, particularly by those who worked on the committee. Many of the other proposals that were made on this side were rejected. We shall have an opportunity to bring them forward, if we so desire, during the committee proceedings. One thing we would like to have seen done, and had there been more time for consideration perhaps it might have been possible, I do not know, was this. The suggestion was made that it would have been a good thing if this bill could have been divided into three bills: the first a declaratory bill which would stand by itself on its own merits; the second a bill which would deal with the Interpretation Act, and the third a bill which would deal with amendments to the War Measures Act. That, however, was not possible; certainly it would not have been possible at this time.

We on this side attach very great importance to the amendment which has been made and the amendments which we have proposed to the War Measures Act and we shall return to those amendments during the discussion of the bill in committee.

I did not have the privilege of attending the hearings of the committee, but I read most of the record of those hearings and I well remember how Professor Lower emphasized that there could be no sure protection of the rights of the individual in any bill or in any legislative enactment that does not deal with war measures, which does not deal with emergencies of wartime and the necessity for protecting rights and freedom during the atmosphere of war or apprehended war. During the hearings in the committee we on this side did try to get some further amendments, or would have tried to get some further amendments, to the War Measures Act along the lines that we had proposed on second reading, but our proposals to that end were ruled out of order on what seems to me the extraordinary ground that this bill was dealing with rights; that it was a bill of rights and therefore it was out of order to move anything that concerned the War Measures Act, even though in this bill of rights there had already been made one amendment to the War Measures Act. We shall have an opportunity now, as I have said, to bring forward again some of those amendments, to discuss them and I hope to convince the committee that they will mean further improvement to this bill, if they are adopted.

As I have said, a study of the proceedings and evidence of the committee will show not only that this bill has been improved but how the improvement was brought about. Some of the confusion and uncertainty which we feel would have been created by the terms of the bill originally in regard to the legal

situation in Canada have, I think, been removed by the changes that have been made. There have been some additions to the bill which I think strengthen its provisions and are designed to strengthen rights and freedom. It is a better bill as the result of the work the committee has given to it. It could have been an even better bill if the committee had more time to consider this matter, and had there been more witnesses called before the committee.

I understand that—perhaps I will be corrected if I am wrong—there was not a single witness from the province of Quebec before the select committee except Professor Scott.

An hon. Member: What about Cohen?

Mr. Pearson: Shall I put it this way. There was not a single French speaking witness before the committee; I do not think there was one.

Mr. Valade: Mr. Dorion was there.

Mr. Pearson: Mr. Dorion was a member of the committee, and a very valued one, as anyone will gather from reading the record. It seems to me he played a very constructive part in the work of the committee. It is a better bill, Mr. Chairman, because of what the committee has done. We are now in committee of the whole. It is our aim on this side to make it a better bill still.

Mr. Argue: Mr. Chairman, over the years the C.C.F. has been interested in parliament adopting a bill of rights. As a matter of fact, even before the Prime Minister advanced a case for a bill of rights members of this group had been promoting a Canadian bill of rights.

The bill before us this evening is entitled "Bill C-79". Of course, it has the same number and the same title as the original bill, but it is a measure that has had prolific changing and I would think on a quick glance that the bill has probably about 50 per cent of the words that were in the original bill, and about 50 per cent of them have been added since the bill went to committee.

Mr. Spencer: The hon. member had better look again.

An hon. Member: Take a longer look.

Mr. Argue: I have in my hand the bill containing the deletions and the bill containing the additions. I have not counted the words, but I venture to say about half of the words in the new bill were not in the first bill that came before this house and I think that is all to the good. I think the bill is a better bill because of the changes made in the committee.

One particular amendment that I think is valuable is the one having to do with clause 2 which reads:

> Every law of Canada shall, unless it is expressly declared by an act of the parliament of Canada that it shall operate notwithstanding the bill of rights, be so construed and applied—

And so on. I think this is a particularly good amendment which strengthens the bill of rights.

We have advocated over the years that a Canadian bill of rights would be better embedded in the Canadian constitution. We still hold that view. We feel that the government has not taken every opportunity to accomplish this desirable end but rather there has been a determination on the part of the Prime Minister and the government to have a second-class measure when a first-class measure might have been attained. As I see it, the original bill presented to the committee was a rather naked bill. The committee has partially clothed the bill but if we are to have a fully clothed bill of rights then in my judgment it must be a bill of rights that is embedded in the constitution.

The Prime Minister has not been in a rush to put the bill through parliament since he took office. The rush has occurred toward the end of this session. A similar measure was introduced in the house in 1958 and almost two years have elapsed until our discussion now of this bill in its nearly final form. What has the government done in that two-year period to obtain an agreement with the provinces so that we might have an amendment to the constitution? As far as I know, it has done nothing. As far as I know the government has made no effort whatsoever to obtain from the provinces their consent to an amendment to the constitution.

When the bill was introduced for the first time this session I said in the debate that, although the premier of Saskatchewan had written to the Prime Minister in January, 1959 setting forth the position of that province and asking the Prime Minister to take the initiative in calling a federal-provincial conference, the Prime Minister had not so much as replied to the letter of the premier of Saskatchewan up to then or, in fact, up to the present time. It is true that an executive assistant acknowledged the letter of the premier but I think it is not an adequate reply to delegate the government's answer to an executive assistant when the premier of Saskatchewan had made a sincere proposal that certain action should be taken in order to bring about an amendment to the Canadian constitution.

Many witnesses came before the special committee and I think the deliberations of

the committee were very valuable. I believe that a suggestion was made to the committee as to how a constitutional amendment might in time be obtained even if agreement on the part of all the provinces could not be achieved at this time. Professor Frank Scott in his evidence as reported on page 24 of the proceedings of the committee, put forward the idea that there should be an amendment to the Canadian constitution which would remove from parliament the right to interfere with certain basic rights and fundamental freedoms and that along with such a constitutional amendment, which was in every way the right of the federal parliament, there should be provision made whereby a provincial government through its legislature could by legislative action forego the authority within the provincial jurisdiction to interfere with the same kind of human rights and fundamental freedoms.

The immediate result of this kind of provision would be to protect human rights and fundamental freedoms is so far as the right of parliament to interfere is concerned and to enable the provinces, if they wished, further to protect human rights within the provinces from interference by the legislatures. It was the opinion of Frank Scott, and I think it is a sound opinion, that after a few years one province after another would take this action and that within the near future we would in fact have a constitutional bill of rights that would apply, not only to the federal jurisdiction but also to the jurisdiction of all the provinces after action by the legislatures of those provinces.

This the government has not done. Instead we have before us tonight this bill of rights which in my view is not the best way to protect human rights and fundamental freedoms. The Prime Minister has not canvassed the provinces. Even when one provincial premier wrote to the Prime Minister asking for action to provide a method of obtaining a constitutional amendment there was no reply.

At the federal-provincial conference just concluded it was suggested by the premier of Quebec that there should be a conference for the purpose, not only of domiciling the Canadian constitution within Canada but also so that action could be taken to obtain a constitutional bill of rights. I think that may be the break-through in obtaining a constitutional amendment to provide for a Canadian bill of rights. In my opinion this presented a great opportunity to the Prime Minister. The Prime Minister could have informed the provinces that there would be a federal-provincial conference called at the request of the provinces to hear their views on this question and to take a concrete step forward by agreement to provide a bill of rights in the constitution. Instead, orders have gone out to the Conservative party: "We are going to have this bill of rights, admittedly with amendments, but this is to be the bill of rights".

I expressed the opinion in the committee, and I hope I am wrong, that once this bill becomes law it may in fact delay the time when we can have a constitutional amendment because some of the provinces may well say: "We have a bill of rights so let us not do anything more; let us wait until it is tested in the courts; let us give it time to see whether or not it works." By giving it time, perhaps a very long time, a constitutional amendment may not be possible.

I think the government has taken a rather arrogant approach by its attitude that parliament will pass this bill of rights here and now, that although it was admitted in the committee by the Minister of Justice that a constitutional amendment is preferable they will not take steps at this time to bring about a constitutional amendment through consultation and action with the provinces. This attitude, which is one of they will do it themselves even if it is second best, is the attitude that the government has taken on this question for a period of two years now. I believe that the bill is a better bill than when it went to the committee. There is no doubt in my mind that parliament will give this measure its overwhelming approval but nevertheless this is not the best type of bill of rights that in my view might have been obtained.

An hon. Member: What is wrong with it?

Mr. Argue: The government has said: "No, we will not consult the provinces, we will not have a constitutional amendment; we will be satisfied with merely another statute on the statute books of the country". We in this group look forward to the day when there will be a constitutional amendment. The fight for the recognition and protection of human rights and fundamental freedoms has been a long one and will be a continuing battle.

This bill is not perfect and its imperfections are bound to be seen in the days ahead. If we had the most perfect measure within our constitution, then the great battle within Canada for equality, human rights and fundamental freedoms would still be a continuing one; would require the support of the Canadian public; would require a view of tolerance by all Canadian

citizens. This battle for equality, for recognition, for human rights and fundamental freedoms will be continued. Undoubtedly this measure marks for Canadians a step, even though an inadequate step, forward.

We look to the day when we shall have a constitutional amendment. We think the attitude of this government has delayed that kind of amendment; but we think if the provinces, led by Saskatchewan in 1947 by its provincial bill of rights, continue to press the federal government, if public opinion continues to impress itself upon the government, and if this government should remain in office long enough perhaps we shall see initiative from this government toward a constitutional amendment.

Mr. Macdonnell: Mr. Chairman, I am glad to have the opportunity of saying a few words on this all-important question. I am glad this bill has been introduced. I am glad that we had a committee. I am glad that it has been so much discussed, because I think it is a good thing for us to turn away occasionally from finance and taxation, from combines and tariffs, and to spend some time in thinking about the basic things that enter into the society in which we live together. That is what I have been doing. I was not a member of the standing committee, but I was able to attend a good many of the sessions. I really feel it was worth while to be spending time hearing our own members and others whose opinions were worth while discussing these grave matters.

Of course, when you begin to discuss rights and freedoms you immediately run into duties and responsibilities, and when you have those four united you have a very large part of our life together. I should like at the very outset to say what the Minister of Justice has already said, that I think we owe a great deal to the Prime Minister in this matter. I shall refer to this later; but at the very outset—

Some hon. Members: Hear, hear.

Mr. Macdonnell: —I want to quote what Professor Lower said. He was formerly in the west and is now at Queen's University:

> I would like to pay my humble tribute to the Prime Minister of the country for having brought in this bill. He has forced discussion on an issue which I suppose in ordinary times most people do not give much attention to. I think it was commendable on his part and I am sure it will be infinitely useful in the future.

The Prime Minister, year after year after year, has brought up this matter, ever since I have been in this House of Commons and before.

I suppose it is merely stating the obvious to say that it is of special importance for us to try to turn our minds back to the serious things in our society in this strange new world in which we are living today. If one looks back half a century he realizes that at the end of the Victorian era the world seemed a settled world in which parliamentary democracy would spread over the whole world, and progress was assured.

What has happened in these last 50 years? Everything seemed set fair in 1909 or 1910. We had no knowledge of the explosions which awaited us. Therefore, I say it is a good thing for us to recall our rights and freedoms and how they arose.

I am often astonished at the height to which our forefathers rose in establishing justice and I would like to recall this. I propose to read to you a few words from the great Earl of Chatham, describing in eloquent terms the position of the law in England. Incidentally, I might mention the fact that Voltaire, when he visited England, pronounced the laws harsh, but noted that they were the same for all. Having found out that that was not the case in France, he thought it was a good thing. While speaking about the rule of law, I should like to read a few sentences from the Earl of Chatham, in his speech on the excise bill, where he puts in eloquent terms the position of the law in England:

> The poorest man may in his cottage bid defiance to all the force of the crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter, the rain may enter—but the King of England cannot enter; all his forces dare not cross the threshold of the ruined tenement.

I think you will agree that that is an astonishing tribute to the rule of law, and yet it is a plain statement of fact. I want to add a word also from that great politician, and I might say he was a Conservative politician, Edmund Burke. If it sounds high-falutin', let me say it is a statement of fact. Here are his words:

> God who gave our nature to be perfected by our virtue, willed also the necessary means of its perfection. He willed therefore, the state,... but the state ought not to be considered as nothing better than a partnership agreement in a trade of pepper and coffee, calico or tobacco, or some other such low concern, to be taken up for a little temporary interest, and to be dissolved by the fancy of the parties. It is to be looked on with other reverence; because it is not a partnership in things subservient only to the gross animal existence of a temporary and perishable nature. It is a partnership in all science; a partnership in all art; a partnership in every virtue, and in all perfection.

These are noble words, and we hardly feel that pedestrian people like ourselves can keep up with them. But nevertheless our rights and freedoms never would have arisen

but for the fact that generation after generation produced such men who could induce other people, for the moment at any rate, to rise to their own level.

Some of you will remember with affection and respect one of our former fellows in this House of Commons, the late John Hackett. John Hackett served a term as chairman of the Canadian Bar Association. He tried hard to make the legal profession feel that law was not merely a means of earning a livelihood, but one of the pillars of the state. John Hackett used to say the law was just Christianity put into practice. It sounds very highfalutin', as I said a moment ago; but if you take some of the circumstances of law and look at them, I think they reach the highest standard of fairness between men.

I always think of the law of trusteeship in this regard. I will give you one illustration. Trustees, as we all know, are limited to certain types of investments usually called trustee investments. If a trustee makes an unauthorized investment and by so doing makes a loss for his beneficiary, he is responsible. On the other hand, if he makes a profit, he cannot keep that; he has to hand it over.

I think that is a very high standard of conduct, and I like to think that is demanded by law. Furthermore, I think if we pause to think of rights and freedoms, duties and responsibilities, we reach human affairs at the highest level, and I think we also reach international relations. I think we reach the question when we are reflecting on that; as a nation have we any serious purpose; what are we doing?

Not long ago this question was easy; we felt we were pioneers developing a new country and we felt that was a serious purpose. The world has shrunk since then. Even 15 years ago, when Wendell Wilkie wrote his book "One World", it was very unconvincing to us. It seemed very unreal; it did not seem to come home to us very much. Now, by jet plane we live next door to each other; foreign relations become a matter of day to day consideration.

I have already quoted in this house remarks of that remarkable woman Barbara Ward, and I want to quote one paragraph again now.

> As the world enters the 1960's one fact seems sure. The pace of revolutionary change in every sphere of human affairs will gather momentum.

And again:

> What, in these circumstances, will be the response of the western powers? The answer depends not only upon the new political leadership available in the west; it depends profoundly upon the sort of people the free nations have become as they face the mounting crises of their age.

I make no apology for these quotations because I think we are either going to live up to them in some measure or we are going to suffer. Because of this I feel grateful to the Prime Minister in forcing upon us through this bill a discussion of this matter.

We all know that the Prime Minister has devoted himself to the subject. One of my earliest recollections of my first parliament in 1945 was the Prime Minister bringing up the question then, I think in connection with emergency powers. I have checked the intervening years and I have been amazed to find that in practically every year this question has been raised by the Prime Minister. When I first heard him speak on this I was one of those who was a little afraid of putting rights and freedom in writing instead of relying on custom and tradition for fear that the written word might unintentionally have a limiting effect. But I have changed my mind as I have heard this question debated and advocated through the years.

When I read the Prime Minister's speeches of July 1 and July 7, I found in it a moving culmination of many years of patient advocacy. Let me quote briefly from *Hansard* of July 7:

> I view this bill of rights as a statement of a Canadian sense of history and of the objectives and standards that we accept in the fashioning of the society in which we believe. I know it has been said before by the cynics, who believe themselves realists, that declarations mean nothing... My answer to those who hold that view is that the same arguments could have been used against the sermon on the amount and compared with the actual practices of those of us who are Christians... I am a realist, but I do hold this to be true—that in the years ahead we shall look back upon this as a measure that showed we had faith in our institutions; that we intended to assure the individual that the rights that he has inherited will not be diminished...
>
> Those were my aspirations as an ordinary Canadian now having the opportunity, in a country that gives opportunity, to bring before parliament that which I believe to mean much to Canada.

I would now like to go back for a moment to 1947 and indicate to you how the Prime Minister has followed up the principles he has expressed. As reported on page 3158 of *Hansard* for May 16, 1947, the Prime Minister said:

> To be effective, a bill of rights must represent, as my right hon. friend said today, the philosophy of the human being, and of a free people. It must deny the right of any government to interfere with my right to speak within the law; my right to serve my Maker as my conscience demands; my right to be free from the threats of a police state, whether consciously or unconsciously administered; my right to live my own life within the limits of the law, without regard to race or colour or creed; my right to belong to an unpopular minority anywhere in this country; my right to have recourse to the courts to guard me against the intrusions or the invasions of the state.

So, Mr. Chairman, you will see how views have remained unchanged, and how this has carried on down through the years.

I propose to say very little about the legal points in this bill; I will leave that to others more qualified than myself. But I would like to refer to two witnesses who came before the committee. One of them was Professor Frank Scott, and while it is quite true that Professor Frank Scott was critical of the bill, he said one thing which interested me and which I think is worth quoting, because it seems to me to be an answer to the criticism of colonialism. He said:

> We are going to have to bring to Canada the power to amend every portion of the British North America Act by some agreed procedure, a procedure which will undoubtedly involve some degree of provincial participation. However, until we do that I do not think there is anything un-Canadian or unpatriotic, or unnationalistic for us to utilize the machinery we have, and the United Kingdom parliament is still part of our constitutional machinery. We turn it on when we want to, and turn it off again. It is an odd situation only explainable in historical terms. For that reason I do not think we should hesitate to employ this procedure where it is appropriate.

I would also like to refer briefly to Professor Lower. He was very definite as to the desirability of going ahead with the bill although he had certain criticisms of it, particularly with regard to the War Measures Act. There was a conversation between him and the Minister of Justice on that point, as a result of which Professor Lower professed himself much more satisfied and less worried. I think the Prime Minister has cleared away that difficulty now by agreeing that the War Measures Act may be reviewed.

As I see it, this bill before the committee has been improved and has been studied by the special committee. It has now come back to us. The Minister of Justice appeared before the committee on several occasions and showed two things; first of all, a mastery of his subject and, second, courtesy and patience in dealing with criticisms and the amendments, accepting certain of them. In these circumstances it seems to me the situation before us now is that the bill has been studied and therefore there is no reason for delay.

These constant references to the provinces leave me somewhat unmoved, because experience has shown that it is not too easy to get eleven governments to agree. One must remember also that there are provinces which are Liberal, provinces which are Conservative, two I think are Social Credit and one is C.C.F. It is conceivable that when they all get together they may have differences between them. In any event it seems to me that this bill as it stands before us deals with matters which go to the very roots of our life at a time when we need to consider the basis of our life very seriously.

I remember being struck very much with a speech made some years ago by a well-known journalist, a man whose attitude towards communism is the same as that of any hon. member in this committee. He said that we faced one thing. He said that the communists have a something; we may find it abominable but nevertheless they have a something to which they are devoted, and he said that we will never defeat a something with a nothing. For that reason, Mr. Chairman, I am glad we have had the chance to examine some of our basic principles. I hope we will find time to think about this, and if we do not think about it in this chamber, who is going to think about it? I read an article the other day by an American who had just come back from Moscow. He had flown from Moscow to Miami and expressed great shock. In Moscow he found what he thought was a much better way of life, superficially at any rate, than that in Miami. He found people worked hard in Moscow. I understand, for example, that the sale of books in Moscow is far, far ahead of this country. This American found the Russians hard working and devoted to serious things, and that when he got to Miami he found that the most obvious thing was the pursuit of pleasure—two, three or four cars in the garage, and so on. He did not think that was showing any sign of serious purpose in life, and he thought a serious purpose was necessary. Therefore if consideration of this bill moved us in the slightest toward that end, I think it has been well worth while.

(Translation):

Mr. Deschatelets: Mr. Chairman, during the previous discussion on second reading of the bill, I made a few remarks and, on that occasion criticized the legislation then submitted to us, which of course did not contain the amendments it now contains. I now want to recall a few of my criticisms.

At that time, I first of all said that the bill was too limited in scope; second, that it gave rise to uncertainties with regard to constitutional problems; third, that I was among those who thought it preferable to try, by all means, to have a national bill of rights by amending the constitution in order to obtain provincial co-operation in working out such an amendment; fourth, I mentioned, like other members of our group, that the bill of rights submitted to us provided nothing with regard to the War Measures Act, that is, with regard to that troubled period where a bill of rights and fundamental freedoms is so

much needed; and in the fifth instance, I seriously criticized the government for presenting this legislation when the session is drawing to a close.

I shall now elaborate on each of those points with regard to the amendments now submitted today.

The scope of the bill, even with the amendments to which we contributed, is still much too limited. I think it is very unfortunate that certain people should have tried to exaggerate its importance because I am absolutely convinced that, when the bill is passed, it will give rise to much confusion and disappointment.

I shall give a few instances in which the bill does not take care of the requirements of Canadian life in 1960. First of all, it is written, right in the preamble, that the bill is limited to the legislative jurisdiction of the Canadian parliament. Therefore, if after this bill is passed by this house and by the Senate and has become law, a coloured person in any province is refused admission to a hotel on account of his colour, this bill will be of no help at all, because Bill C-79 has no provisions on the basis of which corrective action could be taken against racial discrimination.

Second, if this bill comes into force tomorrow and the very next day, close to Ottawa, as happened recently, a witness called before some organization is refused the services of an interpreter, thus preventing that person from giving evidence in his mother tongue, then Bill C-79 could not correct such an unpleasant situation, although that witness would obviously not have received a fair treatment.

I shall give another example with regard to freedom of religion.

Should this bill be passed tomorrow, the next day it might be decreed, as happened a few days ago in Quebec, if I remember correctly, in the case of the Quebec attorney general *v.* Laurier Saumure, that the matter is a provincial responsibility as decided by Hon. Justice Lizotte.

Those, Mr. Chairman, are three cases which have arisen within a few days and for which this Bill C-79 offers no remedy.

I shall even go a little farther. When the bill was introduced and discussed on July 1, hon. members will recall that it contained no reference to the word "family". Not once in the bill placed before us by the Prime Minister on July 1 can we find the word "family".

Mr. Valade: It is mentioned now.

Mr. Deschatelets: Mr. Chairman, I would ask my hon. friend to wait a few moments, as I am developing my argument.

Mr. Valade: Developing it?

Mr. Deschatelets: Mr. Chairman, if you will allow me one moment to complete my explanation, I shall be brief.

The family, which is the cornerstone of our society, was not even mentioned in the bill laid before us by the Prime Minister on July 1. Later, we took up the bill in committee, and now—this is in reply to my hon. friend from St. Mary (Mr. Valade)—we find the word "family" in the preamble, but the preamble does not provide any rights for the family.

Mr. Chairman, before we call it eleven o'clock, I would ask the hon. member who interjected a moment ago to try to find, in the bill as amended today, a safeguard and a protection for the Canadian family which, I repeat, is the cornerstone of our society.

Mr. Chairman, may I call it eleven o'clock. *(Text):*

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business is for tomorrow and the next day?

Mr. Churchill: Mr. Speaker, we shall continue tomorrow with Bill No. C-79 an act for the recognition and protection of human rights and fundamental freedoms. On Wednesday we shall commence with the estimates of the Department of National Defence, and I am suggesting a change in the order of estimates for this week. The next department will be trade and commerce followed by finance followed by the privy council.

As this is Monday, the house might like to know what further business may be before it, and I might list the items now. We have for consideration at any time which becomes available during the course of the week the second reading of Bill No. C-89, an act to amend the Judges Act; concurrence in the report of the civil service commission concerning the House of Commons staff, and the report of the committee on procedure.

It being three minutes past eleven o'clock the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Tuesday, August 2, 1960

The house met at 11 a.m.

INDUSTRY

AUTOMOBILES—ANNOUNCEMENT OF APPOINTMENT OF ROYAL COMMISSION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have to announce the appointment of a royal commission to inquire into and report upon the situation of, and the prospects for, the industries in Canada producing motor vehicles and parts thereof. So that the house may understand the ambit and authority of the royal commission, with the permission of the house I might set out the particulars.

The commission will be asked to report upon:

(a) the present and prospective competitive position of the Canadian automotive industry, in Canadian and export markets, as compared with automotive industries of other countries;

(b) the relations between the companies producing motor vehicles and parts in Canada and parent, subsidiary or affiliated companies in other countries and the effect of such relations upon production in Canada;

(c) the special problems and competitive position of the industries in Canada producing parts for motor vehicles, and the effects thereof upon the production of vehicles in Canada;

(d) the ability of the Canadian industry to produce and distribute economically the various types of motor vehicles demanded or likely to be demanded by the Canadian consumers; and

(e) measures that could be taken by those in control of the industries producing motor vehicles and parts therefore in Canada, by the labour unions concerned, and by parliament and the government to improve the ability of such industries to provide increased employment in the economic production of vehicles for the Canadian market and export markets.

After consideration it was decided that one commissioner would properly discharge the responsibilities of this office. I am very pleased to be able to report that Vincent W. Bladen, M.A., F.R.S.C., dean of the faculty of arts of the University of Toronto, has undertaken this reponsibility. Dean Bladen, I am sure, is known to hon. members in all parts of the house as an authority on economics, having been the former head of the department of economics of the University of Toronto and chairman of the institute on industrial relations in that department.

Dean Bladen will start work at once. There will be no delay whatsoever. He will commence this afternoon an examination of the records already available in the departments, and will be in a position to proceed without any delay into a full and complete investigation of the matters set out in the order in council which will be tabled later today.

Hon. Paul Martin (Essex East): Mr. Speaker, as one member of parliament who represents a constituency where the automobile industry plays such a great part in the economic life of the community, I welcome the action announced by the Prime Minister this morning. I may say to him that in announcing the commissioner, Professor Vincent Bladen, that gentleman has a qualification which I am sure the Prime Minister was not aware of, and I am sure if he had been aware of it he would not think the qualifications were as deserved as he and I both believe they are; and that is that Professor Bladen is an old professor of mine, as he is of the Minister of Finance. That, of course, will ease the blow a little in the Prime Minister's eyes, when he realizes that the Minister of Finance was taught some of his basic economics by Professor Bladen.

I had anticipated that the commission to be appointed by the government to look into the automobile industry would have been composed of more than one commissioner. I had anticipated there would be several commissioners so that various groups in the country would have been represented, including labour, management, the consumer and the state. However, the government has decided to appoint a single commissioner. I cannot speak too highly of his qualifications.

The problem facing the industry, however, as I am sure the Prime Minister will recognize, is of such a nature as not to be resolved merely by this study. I hope the inquiry will be prosecuted with dispatch, so the government will be enabled to reach conclusions which will improve the condition in that industry and increase the opportunity for employment. Meanwhile, however, the government, it seems to me, is not absolved from taking corrective measures

at the present time. One, of course, would be the abolition of the excise tax pursuant to promises—

Some hon. Members: Order.

Mr. Speaker: I think the hon. member should not enter into debating ground.

Mr. Martin (Essex East): I thought we had agreed on this, Mr. Speaker. I can say to the Prime Minister that the community from which I come in particular received the decision to appoint such a commission with understanding. We sincerely hope that the inquiry will be thorough and that it will be done quickly, because so much depends on it. The people of Windsor, so many thousands of whom are out of work, join me in thanking the Prime Minister for making this announcement today.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I am glad the Prime Minister has gone forward with the appointment of a commissioner to act as a royal commission to inquire into the automobile industry. This has been an industry of very great importance to Canada, but in recent years there has been evidence of difficulty in it. We think the scope of the inquiry set forth by the Prime Minister is important in so far it goes, but I should like to have had the Prime Minister spell out the terms of reference a little more adequately to make certain that the royal commission would inquire into all problems with regard to automation and into the field of management, and not a one-sided inquiry into the labour unions.

I think it is a mistake to load this whole burden on one man. I believe the royal commission would be more effective if there were a number of commissioners, representative of the main economic groups interested in this industry, rather than putting the responsibility for report and decision on one man. I have another reason for advocating this proposition, Mr. Speaker. Although we in the C.C.F. acknowledge the outstanding qualities of Professor Bladen, nevertheless we believe that he is something of a small "c" conservative in his economic outlook. The commission could well have used additional personnel which would give it something of a broader outlook.

This is an important commission. We look forward to an early report. Newspapers have been saying the report will be in by the end of this year. I would ask the Prime Minister, if he cares to comment, whether he feels an inquiry of this scope may be completed by the end of this year so that action where desirable may be taken.

[Mr. Martin (Essex East).]

Mr. Diefenbaker: Mr. Speaker, all I can say is this. We felt that if we had appointed several commissioners the period within which the report would ultimately be made would be somewhat longer than it would take one man to discharge this responsibility. As a matter of fact, on other occasions I have heard criticisms that royal commissions were too large in number, but it has always been so. Whatever you do there will always be criticism.

Mr. Martin (Essex East): Remember Dr. Clark's report.

[*Later:*]

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask a question supplementary to the royal commission announcement. Is it the intention of the royal commission to make its headquarters in Ottawa or, as I think it should, in the city of Windsor?

Right Hon. J. G. Diefenbaker (Prime Minister): I am sure the hon. gentleman has no personal interest in determining where this commission should make its permanent headquarters. This is an entirely objective observation on his part, and I accept it in that sense. May I say that the determination in that regard, of course, will rest with the commission.

UNITED NATIONS

DISARMAMENT—REPORTED RUSSIAN PROPOSAL FOR MEETING OF HEADS OF GOVERNMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has anything to say about the reported invitation of the head of the Soviet government for a heads of government conference on disarmament in New York on September 20, and the Prime Minister's statement as reported in the press that this proposal—I should have called it a proposal rather than an invitation —seems to be a propaganda move.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs will answer that question.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I do not believe that this proposal can be taken seriously. It would obviously be impractical to try to bring together the heads of government of all the members of the United Nations during the general assembly, which is, as I understand it, what the Soviet proposal

amounts to. In effect this is simply another refusal on the part of the Soviet government to resume the disarmament negotiations which they broke off some weeks ago. It appears to be an attempt to undermine the western initiative in calling a meeting of the disarmament commission, which Canada and others have proposed in an effort to bring about a resumption of negotiations. Of course the Soviet authorities would not wish to put themselves in the position of flatly refusing to resume negotiations, and they have therefore, I would suggest, attempted to disguise what is in fact a refusal by putting forward this plainly impractical suggestion.

POWER

COLUMBIA RIVER—CANADIAN POSITION RESPECTING DEVELOPMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as the member for Kootenay West and as a member of the all-party Columbia conservation fraternity, I wish to address a question to the Minister of Justice. My question is based on the report of a speech made by Mr. Deane Finlayson, leader of the Progressive Conservative party in British Columbia, at Revelstoke on July 26, in which he expressed his opposition to excessive flooding in British Columbia and concluded with these words:

> It would be a mistake to build high Arrow and thereby eliminate generation of power on the Canadian side.

Can the minister inform the house whether the federal government is in agreement with Mr. Deane Finlayson's approach to this very important question?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the position of the federal government in this matter will be made known at such time as the three governments concerned make their announcements of what agreement has been reached with respect to the projects to be constructed on the Columbia river. However, in view of what was said in the speech referred to, and the relation of the remarks with regard to high Arrow to the whole program, I should perhaps repeat that this government has made it clear before and wishes to make it clear again that it regards the Mica creek project as the essential core and heart of any scheme of Columbia river development, that our whole efforts are directed toward seeing that construction of the Mica creek project is commenced as soon as possible and that the storage credit position attributed to Mica creek will be the best that can be obtained for it.

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask a supplementary question. Is there any possibility of agreement with the United States with regard to Columbia river developments before the end of this session?

Mr. Fulton: Mr. Speaker, I think it is safe for me to hazard a guess now in answer to this question, which when I was asked it previously I was not able to answer because there was no indication when the session might end. The Leader of the Opposition will be able to correct me if my assumption is wrong, because the opposition determines the date of the end of the session, but on the assumption that it will be this week I think I can tell the hon. gentleman that I doubt if there will be any agreement before the end of the session. However, I think there is good ground to hope that there will be one shortly afterwards.

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF COMMISSION OF INVESTIGATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Prime Minister, having in mind the announcement he has just made concerning a royal commission. When does the government propose to appoint the royal commission on the organization of the civil service?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the government does not intend to appoint any commission on the organization of the civil service. The government does intend to appoint a commission analogous in nature to the Hoover commission in the United States. As soon as we are in a position to make an announcement in this regard, it will be made.

LABOUR CONDITIONS

NOVA SCOTIA—PROPOSED STRIKE OF CREW OF "BLUENOSE"

On the orders of the day:

Mr. F. F. Legere (Shelburne-Yarmouth-Clare): Is the Minister of Labour in a position to make a report on the dispute affecting the *Bluenose*?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I know the hon. member has been interested in this dispute, as have other members from that area. Following a conciliation board report, the union took a strike vote and the date for the strike was set for Friday, August 5. Upon learning of the

impasse we requested the parties in the dispute to meet again and endeavour to iron out their differences. I am happy to report that these differences were reconciled yesterday, and an agreement between the two parties was reached. Consequently there will be no strike.

ELLIOT LAKE—INQUIRY AS TO REPORT OF COMMITTEE ON FEDERAL ASSISTANCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Could I ask the Minister of Trade and Commerce whether there is any possibility of the government committee inquiring into federal assistance to the uranium communities being able to report to the house this week?

Hon. Gordon Churchill (Minister of Trade and Commerce): There is always a possibility of reports being received before the end of the session.

TRANSPORT

GREAT SLAVE LAKE—IMPLEMENTATION OF COMMISSION REPORT ON PROPOSED RAILWAY

On the orders of the day:

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I have a question for the minister of northern affairs. In view of the fact that the minister has stated it is most urgent that the railroad to Pine Point be completed as soon as possible, and since the majority of the commissioners inquiring into the route have favoured the western route on which there are no bridges to be constructed, which would enable the project to be completed two years earlier than if the eastern route were followed, will the minister assure the house that he will give immediate attention to implementing the recommendation of the majority of the commissioners?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): The hon. member was kind enough to give me notice of his question. All I can tell my hon. friend is that this matter is now under very active consideration by the government, and when a decision is made there will be an announcement.

CIVIL DEFENCE

CONGO SIGNALS PERSONNEL—EFFECT ON SURVIVAL OPERATIONS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence, and I am sorry I have not had an opportunity to give him notice of it. Will the minister comment on the report in this morning's *Globe and Mail* to the effect that the dispatch of signallers to the Congo will have a marked effect on the army's role in survival operations?

Hon. G. R. Pearkes (Minister of National Defence): I thought the hon. gentleman would be asking such a question, so I jotted down a suggested answer for him. When the Department of National Defence last September took over additional responsibilities in connection with civil defence and survival operations, the need for an extensive communications system for warning and fall-out recording was foreseen. To meet this need, personnel were transferred from other corps to the Royal Canadian Signal Corps and an intensive training program was set up.

I have examined the present position carefully, and am confident that the signals personnel now required by the United Nations force in the Congo can be spared without risking the effectiveness of the civil defence organization.

BRIDGES

JACQUES CARTIER BRIDGE, MONTREAL—REQUEST FOR WARNING SIGNS

On the orders of the day:

Mr. Marcel Boivin (Shefford): I should like to direct a question to the Minister of Transport. Would it be possible, following the accident on Jacques Cartier bridge during the rainstorm, on Saturday, to have the minister ask the director of the harbours board to post signs advising tourists that the roadbed of the bridge may be slippery when it is wet?

Hon. George H. Hees (Minister of Transport): This sounds like a sensible suggestion, and I shall forward it to the chairman of the national harbours board.

ADMINISTRATION OF JUSTICE

MANITOBA—ANNOUNCEMENT OF ARREST IN CONNECTION WITH CHINESE IMMIGRATION

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Yesterday the hon. member for Winnipeg North Centre asked me a question with regard to the likelihood of arrests in Manitoba as a result of the inquiry into irregularities in regard to Chinese immigration. I am informed that Yuen Bak Yee, alias Buddy Leeds, of Brandon, Manitoba, was arrested on Friday, July 29, 1960, as a result of this inquiry.

Three charges of forgery of immigration documents have been preferred against him, and he was remanded without plea to August

3. In the meantime he has been released on bail of $10,000. There may be other arrests made as a result of the investigation, but it is too early to say at this moment.

GRAIN

REQUEST FOR STATEMENT ON DELIVERY AND QUOTA POSITION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the Minister of Trade and Commerce. Now that we are in a new crop year, would the minister give us a report of the number of marketing points which may have remained on a 6-bushel quota? More particularly can he tell us at how many marketing points there was insufficient space or insufficient box cars to enable farmers to deliver a full 7-bushel quota, and is any further consideration being given to an extension of the delivery period into the current crop year?

Mr. Speaker: The hon. member's question requires a fair amount of statistical information, but if the minister has it I raise no objection.

Hon. Gordon Churchill (Minister of Trade and Commerce): There are three questions which the hon. member has put forward. I can answer the first one. The total number of stations remaining on a 6-bushel quota is 45 out of a grand total of 2,007 stations. Five of those are in Saskatchewan and 40 in Alberta, and they are scattered throughout the provinces; they are not in any one area.

The second question I cannot answer. That would involve a great deal of inquiry affecting 1,962 stations which were placed on the 7-bushel quota. As to whether there was enough space to accept all the deliveries there, the crop year would be well advanced before that information would be available.

As to the third question dealing with extension of time for deliveries, I have not had a report from the wheat board on that.

Mr. Argue: On the question of the availability of space, is it not a fact that before any delivery quota is increased, in the opinion of the wheat board there is delivery space for at least a large part of the quota?

Mr. Churchill: Plus the box cars expected to be available at that delivery point.

Mr. Argue: Would the minister ask the wheat board if the information is readily available?

Mr. Churchill: Yes. It is an important question, and I will direct it to the attention of the wheat board. Obviously there is no purpose in raising to a 7-bushel quota if there is no space available.

Inquiries of the Ministry

ARTS, LETTERS AND SCIENCES

CONGO—SUGGESTED RECRUITING OF UNIVERSITY STAFF IN CANADA

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I would like to direct a question to the Secretary of State for External Affairs based on a New York report that Dr. Luc Gillon, president of University Lovonuin, Leopoldville, Belgian Congo, is presently in New York city trying to recruit staff for his university, which was depleted when the Belgians moved out. My question is, is the government giving any consideration to asking Dr. Gillon to come to Canada, where he might recruit French speaking university staff through our Quebec universities?

Hon. Howard C. Green (Secretary of State for External Affairs): I have not seen that report, but I will be glad to make inquiries.

NATIONAL GALLERY—REPORTED RESIGNATION OF ASSOCIATE DIRECTOR

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Citizenship and Immigration whether the hon. lady has added to the knowledge she had yesterday about the possible resignation of the associate director of the national gallery?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No, Mr. Speaker.

RESEARCH

REQUEST FOR FEDERAL CONTRIBUTION TO ARCTIC INSTITUTE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I would like to direct a question to the minister of northern affairs. In view of the report in this morning's Montreal *Gazette* that a research team from the Arctic institute of North America, which has its headquarters in Montreal, is receiving from the United States army part of the funds required for a two-year study on Devon island, would the minister state whether the government is making a contribution at least equal to this United States contribution for research to be carried out in the Canadian Arctic?

Hon. Alvin Hamilton (Minister of Northern Affairs and National Resources): I received notice of the hon. member's question just before I came into the house, and I have now had a chance to read the article in the *Gazette*. This article says that the United States army has made a contribution. I would

inform the hon. member that this contribution takes the form of the loan of some Arctic clothing from the United States army.

The support of the Arctic institute comes from many private sources both in the United States and Canada, and we in our department make a grant of $10,000 a year. I would point out to the house that in addition to supporting the Arctic institute, other departments of government make grants to them and other scientific organizations. Recently the national research council made a grant of $58,475 to the expedition headed by Mr. Jacobsen, and as the hon. member knows the government has set up a continental shelf scientific expedition, and this Arctic expedition spends $500,000 per year on Arctic exploration.

Mr. Argue: Can the minister assure the house that all reports made by the Arctic institute are available to the house as well as to the United States government?

Mr. Hamilton (Qu'Appelle): Yes. The United States government is one of the contributors, as is the Canadian government, and these reports are available to anyone.

BUSINESS OF THE HOUSE

INQUIRY AS TO FURTHER LEGISLATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister and ask him if he can assure us that all the legislation which will be considered from now until the end of the session is on the order paper.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there will be no more legislation, but there might be additional supplementary estimates.

NATIONAL DEFENCE

REQUEST FOR INCLUSION OF COD TONGUES IN ARMED FORCES MENUS

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, I have a question for the Minister of Fisheries. As I understand that the armed forces may soon be favoured with the addition of scallops to their menus, would the minister make a request that cod tongues also be included in future menus?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I will consider the advisability of suggesting that one of the delightful and delectable foods produced in the hon. member's riding be considered as a treat for the armed forces on occasion.

[Mr. Hamilton (Qu'Appelle).]

HUMAN RIGHTS

MEASURE PROVIDING FOR RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The house resumed, from Monday, August 1, consideration in committee of Bill No. C-79, to provide for the recognition and protection of human rights and fundamental freedoms —Mr. Diefenbaker—Mr. Flynn in the chair.

(Translation):

Mr. Deschatelets: Mr. Chairman, just before we adjourned last night, I was trying to bring out the very restricted scope of this bill of rights, and I gave some illustrations from every day life with regard, for instance, to racial discrimination, freedom of religion, and the refusal to grant the services of an interpreter, in order to establish that in cases such as these, which might come up tomorrow, the bill would be entirely useless and would not provide any protection for the victim in the case.

At eleven o'clock last night I was stating that the bill which was submitted for first reading in this house on June 27 last, did not even mention the word "family". I notice that, among the various amendments inserted by the special committee, the word "family" is now mentioned in the preamble. And if hon. members will refer to the report of proceedings in committee, I hope we will be given credit, not only for urging the addition of a preamble but for calling the government's attention, by means of our various amendments, to the significance of the family in Canadian life.

Unfortunately, those amendments were rejected. Knowing as we do that a preamble is purely explanatory in nature, we may, this time tell the government how surprised and disappointed we are to see that the bill has come back without containing a reaffirmation of family rights, of family security and of the safeguard of the essential role still being played by the family in our society.

The Minister of Justice told us last night that he hoped to give this bill a very practical form so that it might be mounted on walls of homes and schools and in public places. That is fine. But it is not a calendar that we want, but a bill of rights, an efficient legislation and we want that legislation to recognize what the highest values in Canadian life are in this year 1960. Personally, I believe that the rights of the family rank first in this respect.

As a matter of fact, what are we doing here, we members of this house who are so proud of the prestige which is attached to

that title? As legislators, our role consists in nothing less than preparing for those who will come after us an improved pattern of life in which our children's personality will be allowed to develop completely. I also must point out that human rights and fundamental freedoms are not something static, but something which develops along with our society.

When we go over the list of rights and fundamental freedoms incorporated in Bill C-79, we note that most of them are rights that have been enjoyed for centuries. But life has changed in the meantime, and we should like to have a bill of rights that would recognize and state the highest values of this society of ours in this year 1960.

Mr. Chairman, I submit that, if we, in the opposition, had not insisted on the introduction in committee of various amendments relating to family rights, we would have been untrue to our political tradition. And if, at this stage, we were not again urging the introduction of amendments relating to family rights, I submit that we would be heedless of our political mission because, from time immemorial, the Liberal party's legislation has been focused upon recognition of family rights, and for all the social security laws we enjoy today we are indebted to the Liberal governments that came before the present government.

Mr. Chairman, I should like to say a word only about the reference to the name of God in the bill now submitted to us with amendments. There was no such reference in the bill introduced on July 27.

In a preamble which the Minister of Justice (Mr. Fulton) submitted to our consideration in committee, there was reference to "spiritual values". I should like particularly to associate the names of the hon. member for Essex East (Mr. Martin), and of the hon. member for Bellechasse (Mr. Dorion) to those of all other members of the committee who were successful in having the name of God included in the present bill.

Let me quote here a few lines of the remarks made in committee, on Friday, July 29, by the hon. member for Essex East:

(Text):

I agree with the minister fully, as every member of this committee does, that we would not want to put anything in a Canadian bill of rights that would be offensive to any religious denomination in our country; to Christians, to Jews, to Moslems, or to any other religious body which recognizes the existence of God. We are a country made up for the most part of religious-minded people. The majority of our people are Christians, but we have a very important and respectful group of Jewish citizens who subscribe to their faith, and we would not want, I am sure, any of us, to incorporate here anything that would be offensive to them. But, it would seem to me, and I am open to correction, that in a bill of rights entertained and introduced by a country composed as we are of people who acknowledge the existence of God we should not hesitate to confirm that fact in some way in this preamble. In the preamble which I put forward reference to God is made twice—in the beginning and in the final paragraph.

An examination of other charters of human freedom, particularly the peoples charter, discloses that reference is made to God.

One of the basic differences between our free society and communism, the Soviet union totalitarian countries based upon dialectical materialism, is that religion itself and the existence of God are denied. For them, God does not exist and religion is regarded by this group as an opiate to hold down the progress of human beings. We make much of this fact in our ideological ideas. I believe we ought seriously to give recognition to this fact in this preamble.

(Translation):

Now, Mr. Chairman, I move on to another angle. It is about the criticism I raised during the discussion on second reading with regard to the desirability of having a bill of rights on a national scale. It is inconceivable that the provinces were not consulted. As a matter of fact, I am astounded when I read the few following words taken from the speech made by the Prime Minister on July 1, 1960, and found on page 5648 of *Hansard:*

(Text):

They say if you want to make this effective it has to cover the provinces, too. Anyone advocating that must realize the fact that there is no chance of securing the consent of all the provinces.

(Translation):

Mr. Chairman, at the recent federal-provincial conference, the premier of Quebec said, at the end of a statement, that the province of Quebec was prepared to sit at a conference table and discuss an amendment to the constitution and also to consider a national bill of rights.

I wonder in what category the remarks made on July 1 by the Prime Minister of Canada would fall. Would they be classified as errors or as faults? I would be inclined to say they were faults, and I would even go so far as to say that, if you compare the statement of the Prime Minister of Canada on July 1 and that of the premier of Quebec, you realize that the statement of the Prime Minister of the country was tantamount to an expression of non-confidence in the provinces.

Mr. Lafreniere: Mr. Chairman, would the hon. member allow me a question?

The hon. member has been quoting part of the Prime Minister's speech. However, has he read this sentence from that same speech of the Prime Minister's:

As far as constitutional amendment is concerned, it is impossible of attainment at this time.

Whereupon the hon. member for Vancouver East (Mr. Winch) interjected:

Why?

And the Prime Minister replied:

Simply because of the fact that the consent of the provinces to any interference with property and civil rights cannot be secured. That is no criticism of any province.

Mr. Deschatelets: Mr. Chairman—

Mr. Lafreniere: I therefore ask the hon. member whether he has read that part of the speech.

Mr. Deschatelets: —I do hope you will deduct from my speaking time the time just taken up by the hon. member in making a speech.

Whatever the remarks of the Prime Minister's, the fact remains that, in introducing this bill of rights in such a solemn way on July 1, Dominion day, he did state that there was no chance of securing the consent of the provinces in favour of a national bill. Furthermore, he made that statement at a time when no province had been consulted.

Mr. Chairman, I now want to say a few words in connection with the criticism I made during the discussion on the second reading of the bill, respecting the War Measures Act.

We agree with all the experts who testified before the committee and with all those who take an interest in the question of human rights and fundamental freedoms that, if ever a bill of rights is necessary, it is when the War Measures Act is in force.

Parliament has before it today a bill of rights, but no good reason has yet been given to us why the bill of rights which we are about to adopt should not apply in wartime as well as in peacetime.

The Prime Minister has told us that this bill is a first step only and that, at another session, the War Measures Act would be amended. I believe that if the matter of this bill of rights, both in peacetime and in wartime, had been submitted to us, such experts as university professors and all those who were heard in the committee could have expressed their views on this matter. These would have been quite important for the purpose of adopting a bill that would provide significant protection to all Canadian citizens, both in peacetime and in wartime.

I also mentioned the fact this bill was submitted to us in the dying days of the session, a fact which made it quite difficult for us and prevented us from giving it all the consideration we would have wished to give in order to make of it a really efficient measure. Besides, the fact that this measure has been submitted during the last days of the session brought up another problem and, like many members—the Leader of the Opposition (Mr. Pearson) has expressed that view yesterday—I regret that we did not hear the views of any organization, any group from the province of Quebec.

Mr. Chairman, some will say, no doubt, that the heads of such organizations or associations could have made their views known at the committee meetings. However, I must point out that the committee held its meetings at the end of July, a time when, as everybody knows, university activity has been suspended for weeks, a time when professors are on holidays and when most of the organizations or other associations who could have wished to be heard were not able to do so. I believe that we should once again deplore the fact that we have been placed in a position where the voice of the province of Quebec could not be heard with regard to the consideration of this bill.

Mr. Grafftey: That is not true.

Mr. Deschatelets: In concluding, Mr. Chairman, may I point out to the house that, in spite of the amendments which have been made to this bill, this measure has only a declaratory significance, too limited in scope. We will therefore do our utmost to make it as efficient as possible and we will continue the strenuous work that has been done by the committee.

(Text):

Mr. Aiken: Would the hon. member permit a question?

Mr. Deschatelets: Yes.

Mr. Aiken: The hon. member spoke of the rights of the family, a subject in which we are all interested. Could the hon. gentleman explain to the committee what particular rights he had in mind that should be protected and in what manner he would have this field invaded by parliament?

(Translation):

Mr. Deschatelets: Mr. Chairman, I am pleased to answer this question, and to give my hon. friend an example.

In the course of my remarks, I attempted to show that we already have in our legislation social security measures by which, for the last 15 or 20 years, Canadian families have been able to enjoy our present standard of living. I would look favourably upon the passage of a bill of rights that would ensure

to the Canadian family the benefit of all social security legislation passed by a Liberal administration, so that no government could deprive the Canadian family of those social security measures necessary for its full development.

Mr. Dorion: Mr. Chairman, we have before us a bill of vital importance. In my opinion it solemnly establishes a charter which should be the cornerstone of any true democracy.

In a book entitled "Democracy", Georges Budeau, professor of the faculty of law, in Paris, wrote at the beginning of his book the following:

> In theory and in fact, democracy is indissolubly related to the idea of liberty. Its simplest as well as its truest definition, that is government of the people by the people, attains its true meaning only because it excludes any power proceeding from an authority other than the people. Therefore, democracy is first and foremost a system of government which strives to include liberty in the political relation, that is, in the relation between orders and obedience which are inherent in any politically organized society. Authority doubtless remains to a mixed degree so that, based as it is on the acceptance of those who are subject to it, it nevertheless remains consistent with their liberty.

The relationship between the freedom of man and the authority of the state, the limits within which the governors and the governed may carry out their activities, this is exactly what this bill attempts to define.

This charter is the outcome of views long held by the Prime Minister. It was born of the firm and determined will to provide every Canadian citizen with the means of forming, developing and expressing himself and of playing, in his country's service, the part assigned to him by society.

Such is the basic characteristic of this bill. Therein lies its loftiness and its beauty. That is why the right hon. Prime Minister deserves the highest praise and congratulations for having introduced it in this house.

Mr. Chairman, before submitting this charter to the house for final discussion and adoption, the Prime Minister felt it should first be reviewed by a special committee. Looking at the background of the various members of that committee, one is struck by its variety and scope. Indeed, the 15 Canadians in that committee were of nine or ten different nationalities.

I must recognize, Mr. Chairman, that I have seldom witnessed in that kind of committee such a frank and objective discussion of each and every clause of the bill by such diverse people. It made me realize how people so different and of such various origins can work in harmony.

Some hon. Members: Hear, hear.

Mr. Dorion: This, to my mind, is a first and extremely important step towards an objective to which the bill now under review will eventually lead when it is passed.

And why did this happen? Simply because every member of the committee without any exception was conscious of the fact that he was taking part in a momentous event, in a wonderful guarantee for the future, and every one was firmly determined to do all that is humanly possible to provide our country with a charter affording the possibility of evolving true Canadian unity, based on harmony among the various racial groups and good will among the people of various extractions that make up the Canadian nation.

An hon. Member: Hear, hear.

Mr. Dorion: There, Mr. Chairman, you have, in my opinion, one of the greatest accomplishments of which Canada can rightly be proud. There you have, once again, the first great advantage of this bill which, in my opinion, has already brought about an achievement of the greatest importance.

And here, I recall what the Prime Minister said, when introducing the bill around July 10, I believe, and I quote from *Le Devoir* of July 12:

> All my life I have been waiting for that day when there would emerge in this country a Canadianism proud of its ancestry, which would allow every Canadian openly to express his national pride. We all know that, in the past, distinctions have existed in our minds. I have known here, these last few days, an unforgettable feeling, the feeling that we are building within our nation a Canadianism that is common to all provinces.

And I believe I may add that this feeling, each one of us felt it that day.

Mr. Chairman, yesterday I heard the Leader of the Opposition (Mr. Pearson) say that in his opinion—which I believe he shares with the member for Assiniboia (Mr. Argue)—the bill in its present wording is very different from the original bill introduced in the house by the Prime Minister.

Evidently, if the Prime Minister saw fit to send it to a special committee, it is precisely because he wanted to show the house just how anxious he was to see that that charter was as complete and as perfect as any human document can be.

And that gesture, one of modesty, indicating how solicitous he is to respect the members of this house and their opinions is, to my mind, an additional example which throws into strong relief the Prime Minister's character and shows to what extent he was adverse to making this bill his own personal handiwork but wanted instead to make it the business of all Canadians, so that all of them might rejoice in having such a bill of rights as an expression of their own aspirations.

When comparing those texts—the original and the present one—we obviously note rather marked differences. But to my mind, those differences proceed from an identical substance, the substance already contained in the original bill, and from the originating principle according to which, as we can read in the preamble, clear and practical recognition must be given to the spiritual and moral values which characterize our country, which must always be at the root of our legislation and which are as the distinctive trait which separate us from communism, where God and all spiritual values are subordinate to the most depressing and abject materialism. It can therefore be said, Mr. Chairman, that, on the whole, the Prime Minister's project gives spiritual values a priority over material values. That is its essential feature. The Prime Minister therefore resorted to a committee. The members of that committee gave all the assistance they could. And I want to repeat that it was because of a spirit of harmony, because of a spirit of agreement and good understanding that this bill has become the result of teamwork, the fruit of each and every member's thoughts, without exception. The preamble itself merely sets out in eloquent terms the source from which human rights and freedom flow.

The Leader of the Opposition told us last night that he would have preferred a bill of rights endorsed by all the provinces and taking the form of a constitutional amendment. To show that agreement by all provinces was possible, he recalled words spoken by Mr. Lesage during the recent federal-provincial conference.

When the bill was introduced in 1958 and on various occasions since, the Prime Minister of Canada invariably evinced his concern to confine himself to human rights and freedoms in their relation to the federal state. In this, he was perfectly right. Would it not be inconsistent, Mr. Chairman, and even inconceivable, that a bill of rights should, by itself, and by the scope of the powers it is supposed to embrace, impinge upon the provincial constitutional rights likewise designed to protect man within the society in which he is called upon to live and develop?

Was that not indeed, and until very recently, the opinion of the Leader of the Opposition, when, in 1948 at the United Nations he referred to the particular circumstances in which we live here in Canada, and clearly stated his wish to respect those particular conditions? And I quote what he said in 1948 during the debate at the United Nations. My quotation is from the magazine *Relations* for November 1958:

(Text):

I wish to make it clear here, that, in regard to any rights that are defined in this document—

(Translation):

Speaking about the universal bill of rights.

(Text):

—the federal government of Canada does not intend to invade other rights which are also important to the people of Canada. By this I mean the rights of the provinces under our federal constitution. We believe that the rights set forth in this declaration are operated and well protected in Canada. We shall continue to develop and maintain these rights, but we shall do so within the framework of our constitution which assigns jurisdiction in regard to a number of important questions to the legislatures of our provinces.

(Translation):

Of course, I am not trying to blame the Leader of the Opposition. I am merely noting that his attitude had varied since the day when Mr. Lesage, last July, that is quite recently, at the federal-provincial conference where the agenda made no reference to the problem, suddenly made a statement to the effect that he was prepared to cooperate in drafting a national bill of rights. At that time, Mr. Chairman, the whole question had been debated in the house and the bill had gone through second reading. It had been submitted to a committee whose task was necessarily restricted by its terms of reference and also by the fact that, prior to second reading, government supporters and members of the official opposition had all voted against amending the constitution after consultation with the provinces.

Such were the circumstances at the time of Mr. Lesage's statement. We could not properly, logically and legally modify our terms of reference or the authorization granted us by parliament, for we would have been going against the will of parliament and against the basic principles of

sound democracy. Furthermore, Mr. Chairman, last January the Quebec legislature had unanimously passed a resolution. I must say that a number of persons were on hand who are now members of the cabinet of Mr. Lesage. As I say, the legislature had passed a resolution clearly indicating its will, or the will of the province of Quebec as represented by the legislature, not to share in a bill of rights. In that connection, I should like to quote from an article by the Quebec correspondent of *La Presse,* published on February 18, 1960:

> Yesterday the legislative assembly unanimously took position on the bill of rights which Prime Minister Diefenbaker is seeking to put through the Canadian House of Commons.
>
> Carried was a motion proclaiming that the proposed federal legislation should in no way, whether directly or indirectly, encroach upon the recognized exclusive jurisdiction of the provinces, under the British North America Act.

Now, Mr. Chairman, I think we can say without boasting that one of our first concerns, of myself and of all the members of the committee—and I commend them for it —was precisely to scrutinize the bill scrupulously, to make sure it contained nothing that might encroach on provincial rights. That, I may say was as a leitmotiv throughout our discussions. That is precisely why, in the preamble to the bill, it is very definitely and very clearly stated that the legislator, or the federal parliament, has no desire to interfere with the rights, privileges and freedoms which are recognized as belonging to the provinces. I am not criticizing Mr. Lesage for his attitude, though I think it is at variance with the will of the Quebec legislature. I am merely trying to deal with the objections which have been raised at this stage in the proceedings.

And I will add this: there is no sign that the legislature has changed its mind in spite of the premier's opinion because the matter is too serious, too important, too vital for the group that the province of Quebec is responsible for protecting, or for us to agree perfunctorily to some improvised statement, a statement which has not previously been submitted to public bodies, to various associations and still less to the legislature itself.

On that point, may I recall this: in the Canadian Bar Review, there is an article by Mr. Louis-Philippe Pigeon, and I must say, incidentally, that this article had impressed me enough to impel me to seek a meeting with Mr. Pigeon, who is a professor at Laval University, in order to discuss with him the various objections he had to this bill of rights. The outcome of that meeting was a letter which I showed to some members of the committee, in which Mr. Pigeon was saying that the wording should be clarified so as to remove any uncertainty, any ambiguity as to the legislator's intent to limit the application of the bill to such human rights as come under the powers and rights of the federal state.

Mr. Martin (Essex East): Hear, hear.

Mr. Dorion: Mr. Chairman, I must add that Mr. Pigeon—and I say this to correct the impression which my good friend from Maisonneuve-Rosemont (Mr. Deschatelets) might have left—Mr. Pigeon and others in the province of Quebec were invited to attend the committee meetings, but for various reasons they did not show up. I must add at once—again to correct another statement made by my excellent friend—that at least three professors from the province of Quebec expressed their views before the committee.

Mr. Deschatelets: In French only.

Mr. Dorion: Now let me adduce a further argument which, in my opinion necessarily came to our minds when the suggestion was made to adjourn our discussion indefinitely until such time as Mr. Lesage was able to express with clarity and precision—

Some hon. Members: Hear, hear.

Mr. Dorion: I am not saying this in any disparaging sense and would not like hon. members to construe it so—I merely wish to say, in order to allow Mr. Lesage to tell us exactly to what extent he was prepared to work at the framing of a national bill of rights.

I believe this suggestion was premature because, in the province of Quebec—and I apologize to my colleagues of the other provinces if, for a moment I am considering the problem from this strictly provincial angle—we have a legislative system which is centered on the family, a legislative system in which the expression of civil rights is different from what it is elsewhere. And Heaven knows to what extent the French racial group in Canada has always considered, and still considers, that institution which is particular to it, this institution of civil law, as one of the most vital factors to its safeguard and its survival.

Mr. Chairman, a national bill of human rights in which the whole province would

be interested, a bill that would include the basic rights of the citizen as such and in his relations with his fellow citizens—which is civil law—would be of considerable impact on our civil code, on our particular institutions. Please note that I am against this wish. If unanimity can be logically achieved, I will say: so much the better for Canadian unity. But, unless and until I have been convinced that a national bill of human rights cannot in any way affect, say, the rights of a father with regard to his children, his relations with his children, which relations are now defined in the civil code, the husband and wife relationship, the husband's authority, paternal authority, the order of inheritance; as long as I have not been fully convinced that we can draft a text consonant with those basic institutions which are so dear to us, I say that a national bill of human rights must inspire us with the greatest caution. Therefore I repeat that must be so, as long as I have not been convinced that those basic institutions, which have guaranteed our survival, can be made to agree with the contents of a national bill of human rights.

Besides, Mr. Chairman, a look at history will show that I have just dealt with a prime concern of our group. As early as 1760, the first request made by our defeated leaders was the maintenance and preservation of our civil rights. In 1774, we were given a text whereby our group is assured preservation of its civil rights. In 1841, an attempt was made to unify Upper and Lower Canada by the Union act. What were the results? Exactly the opposite; moreover, it was under the Union act the two main pieces of legislation of the province of Quebec—the civil code and the code of civil procedure—were drafted.

Then, in 1867, when on the one hand the colonies of British extraction or of British allegiance agreed to include in the constitutional act of 1867 a provision which made uniform legislation possible, the province of Quebec demanded that an exception be made on her behalf. Why that exception, if not because the province foresaw a danger of absorption and assimilation. Is it possible through a mere statement made on the occasion of a conference here in Ottawa to agree to the solution of so serious a problem simply because the premier of Quebec—whom I respect—expressed a personal opinion that may have serious consequences? I do not say that a national bill of human rights would be absolutely unacceptable. My purpose is simply and exclusively to show very clearly how very important it is not to accept such a statement inconsiderately and without giving the premier of Quebec and his colleagues an opportunity fully to realize the importance and implications of such action, so that we might in due course have a truly national bill of human rights, as a result of a genuine agreement entered into as a result of actual work, thinking and a profound certainty of not having interfered in any way with the inalienable rights which the province of Quebec is bound to preserve with such perseverance.

Mr. Martin (Essex East): Hear, hear.

Mr. Dorion: Mr. Chairman, the point was also made that we should have proceeded through an amendment to the constitution.

Well, sir, at this stage, with very definite opinions forcefully expressed by the Prime Minister, the Leader of the Opposition (Mr. Pearson) and the member for Assiniboia (Mr. Argue), leader of his group, to the effect that the time has come for Canada to have her own constitutional amending instruments, I think it would have been unthinkable for us to call upon Westminster or London to take a hand in making the wealth of our rights and freedoms accessible, so to speak, to all Canadians.

That, to my mind, is absolutely illogical. In my opinion, the right hon. Prime Minister was right in reminding us that the day we repatriate—some doubt has been expressed and with reason in connection with the word but, for lack of a better one we have to use it—that the day we repatriate our constitution, the day we find some specific way of doing so in such manner that it would not interfere with the fundamental rights of the two main racial groups which constitute this country, then we can think of amending the constitution and giving Canadian citizens a national bill of rights.

Mr. Chairman, I now want to say a word on the subject mentioned by my good friend the member for Maisonneuve-Rosemont (Mr. Deschatelets), that is, family rights. I am prepared to believe that the hon. member raised the point quite honestly and without any ulterior electoral motive.

Mr. Johnson: Never. Impossible.

Mr. Dorion: Mr. Chairman, in this respect, it is rather surprising to note that a present

minister in Mr. Lesage's government, Mr. Lafrance, in a statement made in the Quebec legislature on January 19, 1960, asserted that under the constitution certain fundamental rights came under the exclusive jurisdiction of the provincial legislature, and that in those fundamental rights were precisely included family rights. This is what Mr. Lafrance said:

> This house urges the provincial government to take all necessary action to introduce an act establishing the rights and freedoms of individuals and more especially those of the family—

In my opinion, Mr. Chairman, Mr. Lafrance was entirely right.

With your permission, Mr. Chairman, I should like to refer to Mr. Albert Sorel, a great French philosopher. According to Mr. Sorel, private law applies to all citizens from the time of their birth, through adolescence to majority, sanctions their marriage, certifies their death and throughout their life, regulates the right to work, to enter into contracts, to dispose of themselves and of their property.

A complete bill of human rights would necessarily have had the result of affecting the very root of civil rights, and more particularly, all institutions protecting the family.

Nothing comes closer to civil rights than this problem and if the committee did not agree to follow my good friend in this direction, it is exactly because, as I said earlier, we wanted to comply with the views of the legislature itself, with the views of his own friends, since we were warned in January or February not to infringe in any way upon the rights and powers of the province of Quebec nor of any other province in this country.

(Text):

The Deputy Chairman: I am sorry to advise the hon. member that his time has expired.

Some hon. Members: Carry on.

(Translation):

Mr. Martin (Essex East): Mr. Chairman, I think that we should grant the hon. member the privilege of going on with his remarks.

(Text):

The Deputy Chairman: Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: Agreed.

(Translation):

Mr. Dorion: Mr. Chairman, I quite appreciate the intervention of the hon. member for Essex East (Mr. Martin) and I must say that, not only during the sittings of the committee but ever since I have been a member of this house, he has been so kind, gracious and courteous to me that very often I have felt embarrassed about it. I appreciate his behaviour very highly and I am glad of this occasion of saying so.

Mr. Chairman, in 1959, the Semaines sociales du Canada, an organization whose members meet each year for the study of social or sociological problems, met last year in Quebec city. The theme of their conference, or the main idea of their meeting, was a study of the mission and the rights of the family. In the opening speech, Rev. Father Richard Ares, chairman of the Semaines sociales du Canada, who is particularly known in Quebec sociological circles, stated the following, that I find at page 21 of the report:

> In order to be still more practical and precise, I shall add this. I see only advantages in a bill of family rights which would be jointly and freely enforced by both levels of government that form our federal system and would later command the respect of each. Even if the statement were the work of a single level of government, I, for my part, hold the view that it should first be made by the government which is essentially responsible for matters relating to the family, that is, for us from the province, the Quebec government.

We have here a view which has the merit of having been expressed by one of our greatest sociologists in the province of Quebec, by a man who took the trouble to study constitutional problems and was a member of the Tremblay commission, recently referred to by Mr. Lesage, and therefore a man who, in dealing with such problems, does so as one who has gone deeply into the matter, and knows the subject from all angles, including the legal one.

So Rev. Father Ares tells us that the family comes within provincial jurisdiction. It is so true that, in the civil code there are at least four or five complete chapters dealing with the relationships between husband and wife, between father and children, between wife and children, between grandfather and grandchildren, about the order of inheritance, all of their problems that lie exclusively within provincial jurisdiction, because relationships between individuals are problems of private law. The matter goes so far that I should like to make my point clear by stating a concrete example. If a family wants to change its name, the authority which will allow it to do so, which is able to achieve that purpose, the only one that exists, is the

provincial legislature and not the federal government. In other words, if family rights such as they might be defined on the basis of suggestions put forward in the committee, are not mentioned in the present bill of rights, it is solely and exclusively out of respect for the clearly expressed will of members on both sides of the house not to interfere in a field which is outside our scope, as this would have been a violation of the constitution, of which we are the guardians and which is truly the cornerstone of Canadian unity.

Mr. Chairman, before closing my remarks, I again thank the hon. member for Essex East, and I would not want to take undue advantage of the kindness that is being shown to me.

In conclusion, may I say that here is a bill of rights that will be of considerable educational value for the Canadian people, for our children, for every province, because in future, we will have the solemn statement that here is the death knell of prejudices, to which all of us have been more or less subjected in the days of our youth and which still live in certain parts of Canada, prejudices whereby a person, because of the colour of his skin, is looked upon as a stranger, or gives the impression of somehow not belonging altogether to the human species.

The other day I had an opportunity of meeting the prime minister of the Congo. What pride I felt when I had the privilege of thanking him after a speech he made,—how proud I was to be able to quote section 1 of the bill of human rights which told him that here, in Canada, the skin, the colour, the religion, all those things are in no way a handicap to those who wish to live here in Canada, in this land blessed by God. He noticed the atmosphere of the country that was welcoming him, just as he noticed the relation of our culture with that of the Congo or the Congolese.

Mr. Chairman, this bill will have an educational value for our children, for the provinces and for all people in Canada; it will show mankind that, here in Canada, spiritual and moral values come first, that material values are subordinate to spiritual values and that our rights are established according to specific principles. Moreover, nationals of other countries who wish to work with us, to join their efforts and their strength with ours and thus to form with us the population of Canada, will know where we stand and will feel that at last, on Canadian soil, they have found the land of freedom.

Mr. Cardin: Mr. Chairman, would the hon. member for Bellechasse (Mr. Dorion) allow me to ask a question?

Mr. Dorion: Yes.

Mr. Cardin: Should some of the remarks of the member for Bellechasse be understood as an objection to the proposal made by the premier of Quebec to call a federal-provincial conference to consider together the possibility of adopting a bill of rights on a national scale a proposition which seems to have been endorsed by the Prime Minister of Canada?

Mr. Dorion: My honourable colleague will find that I said nothing of the kind. All I said was that, to my mind, the question was premature because its consideration requires preliminary groundwork, and especially, a knowledge of the extent to which a national bill of rights might affect the fundamental rights of the province of Quebec.

Mr. Cardin: May I put a supplementary question to the member for Bellechasse?

Mr. Dorion: Yes.

Mr. Cardin: Is this not the very purpose of the consultation and the conference that would be held in that connection?

An hon. Member: He did not say so.

Mr. Dorion: That was not my understanding. The reports I have seen may not be complete, but that was not what I gathered. But even if it were so, I fail to see how this bill could possibly stand in the way of that further consideration. On the contrary, in my opinion it represents a giant step towards the elimination of a difficulty comparable by nature to that suggested by the member for Richelieu-Vercheres (Mr. Cardin).

(Text):

Mr. Badanai: The first thing I should like to do is express my appreciation for the privilege of serving on this committee. While the number of days during which the committee sat were comparatively few, considering the importance of the subject, the number of hours spent in an exhaustive study of submissions and the evidence of witnesses were many. Of all the committees on which I have had the honour to serve, the committee on the bill of rights was by far the most absorbing and interesting, and by and large its work was carried out in an atmosphere of

congenial friendliness, as was pointed out so eloquently by the hon. member for Bellechasse, a very distinguished member of the committee.

I would also say that while the amendments put forward by the members of the opposition did not always secure the approval of the majority, nevertheless considerable progress was made, thanks to the co-operative attitude of the Minister of Justice and the capable chairman of the committee, the hon. member for Essex West, who conducted the meetings in a very fair and efficient manner. For all these reasons, not the least of which is the opportunity afforded to me of making a small contribution toward such a noble objective, I am glad this bill of rights was introduced this session, despite its many imperfections.

Having paid a well-earned compliment to the hon. member for Essex West it would be unfair if I did not mention the leadership given to the committee by the hon. member for Essex East, whose keen legal mind was a tower of strength in the committee's deliberations, the results of which are evident in the improvement of the bill. Thus, having laced the sage man of the west with the wise man of the east, I express the sincere hope that once passed this bill will not be forgotten and left in its present form, even its amended form, but that the Prime Minister will ensure that it is discussed with all the provinces with the end in view that a real Canadian bill of rights, which would stand up in all conditions, in all circumstances and in all the provinces may be enacted at the earliest possible moment.

During the committee hearings we heard evidence from a number of organizations and several distinguished individual experts whose opinions were carefully weighed and from which we in the opposition learned much. This was helpful in bringing in our amendments. Unfortunately, many of our 20-odd amendments, most of which were based on the recommendations of the witnesses and of such historic documents as the United Nations declaration of human rights and the United States bill of rights, were rejected, in my view on insufficient legislative grounds, with the result that opportunities of particularizing the rights to be protected were lost.

However, the minister did accept the principle of a preamble, which we had advocated from the beginning. This, incidentally, was first suggested by the Leader of the Opposition. Several members of the committee on both sides proposed preambles, all of which contained meritorious ideas and phraseology, in an attempt to make our bill of rights a memorable document. The preamble which was finally adopted was really a product of the whole committee, despite press reports which indicated that it was the brain child of the Minister of Justice. The preamble really gives dignity to the document, which is largely legalistic and skimpy in its specification of the rights contained in it. My suggested preamble was as follows:

> In recognition that the Canadian people believe in the dignity of man and are composed of many races and religious beliefs, the parliament of Canada hereby declares and reaffirms the people's fundamental liberty to work and to worship his God to the satisfaction of his conscience and Her Majesty, the Queen, with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows—

However, the one which was finally adopted was a much better introduction to the bill. A good job was done on the preamble.

I have indicated that the minister did accept some of our amendments, one of which, incidentally, is the right to be presumed innocent until proved guilty. This is one of the amendments I was ready to introduce when the minister announced that he had such an amendment already in mind, for which I congratulated the minister on his foresight and almost clairvoyant perception.

Another amendment which I proposed in committee and which the minister accepted was that no persons should be deprived of the right to reasonable bail without just cause. Incidentally, this clause is part of the United States bill of rights, which prescribes that excessive bail should not be required. I think the minister was wise in accepting this amendment, which undoubtedly gives clause 2 more substance.

What I could not appreciate was the minister's reluctance to spelling out specific provisions in language easy for everyone to understand, instead of leaving meanings up in the air and making provision by inference. Provision by inference is not good enough in a bill of rights for the people of Canada.

With this truism in mind the Liberal members of the committee moved a number of amendments the effect of which would have been to make the bill more specific and more meaningful to the general public as well as to the courts. At least one of these was anticipated and, as I indicated earlier, was introduced by the minister himself before we moved to fill the gap. Others were accepted on our motion. Too many, however, were rejected by the minister and voted down by the majority of the committee.

It is easy to find important examples to illustrate my point. I shall, however, refer to one about which I feel particularly strongly. Last Thursday afternoon I moved in the

committee that the following provision be added to clause 2 as it then stood:

> The right of the individual to earn a living and to free choice of employment, to just and favourable conditions of work, and to protection against unemployment.

This amendment like many others was rejected at least partially on the ground that it is now embraced, not separately and individually but in the sum total of the bill as it now is before the committee of the whole house. Further, in this particular rejection the Minister of Justice clarified the government's position as being that this amendment was nothing more than the statement of an objective the realization of which would require specific measures. I am referring to what the minister said as reported in the proceedings and minutes of the committee, on page 663. He went on to say that we already have such a measure on the statute books, the Unemployment Insurance Act. There are, of course, others.

This is the very point I made in moving the amendment when I said, as reported in the minutes on page 661:

> —the right which is envisioned—has been generally recognized in Canada during most of this century.

I might, had I not wanted to avoid verbosity—and I am not prone to speaking at length at any time—have gone into detail to show that there was nothing in the proposed amendment which was inconsistent with the general statement of the present clause 1. The rights referred to may be only objectives for some countries of the world, as the minister argued. They are, however, generally recognized rights in Canada, and the minister chose to ignore the need for the classification of these rights.

My proposed amendment to the effect that the Minister of Justice shall report legislative inconsistencies to an appropriate standing committee of the House of Commons, and that all petitions of citizens who feel that their rights had been infringed be referred to that committee, was rejected. In view of the minister's reply that there is not now such a committee, and in view of the amendment now incorporated in clause 3 providing that the minister shall report inconsistencies to the house, I propose at the beginning of the next session of this parliament to move the establishment of a standing committee on human rights and fundamental freedoms.

Anyone who cares to do so can learn of the effectiveness of the New Zealand public petitions committee. I addressed myself to that subject in the debate on second reading of this bill. The Prime Minister in closing that debate almost seconded my proposal

to establish a similar committee in this parliament which, after all, should not lag far behind the younger parliaments of the commonwealth in protecting the rights of its citizens. On second reading of the bill, as reported at page 5684 of *Hansard* of July 4, I made the following suggestion:

> I suggest the establishment of an effective public petitions committee similar to that which has been set up in New Zealand. Perhaps such a committee could be established in the other place; no more trustworthy agency to discharge the duties of such a committee could be found than that august body, the Canadian Senate.

Some may forget what the Prime Minister said on July 7, as reported at page 5948 of *Hansard*:

> When it is suggested that there should be a scrutiny committee, may I say that that suggestion which I have made on other occasions is one that deserves the fullest consideration and no doubt it will be among those things which will be considered and deliberated upon in the days to come.

Those were the words of the Prime Minister. I think any legislative or other inconsistencies reported to the house by the Minister of Justice might well be referred to a standing committee on human rights and fundamental freedoms. Likewise, all petitions to be based on the Canadian bill of rights should be referred to such a committee. It should then classify and condense the petitions in such form and manner as might appear best suited to convey to the house all requisite information respecting their contents. The committee should have power to sit at any time, to send for papers and persons, but not for ministers; the place for ministers to argue is in the house. The committee should be assisted and advised in its work by a competent parliamentary official such as the parliamentary counsel.

Mr. Martin (Essex East): Mr. Chairman, as I observe that you are rising to call it one o'clock may I ask if the committee would give unanimous consent to allow the hon. gentleman to finish his remarks? Perhaps we could also continue through the lunch hour.

Some hon. Members: Agreed.

The Deputy Chairman: In order that we may have it straight, is it agreed that the hon. member be permitted to continue his remarks or is it agreed that we continue through the lunch hour?

Mr. Martin (Essex East): Perhaps we could first obtain agreement to let the hon. member finish.

The Deputy Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Badanai: I thank the committee, Mr. Chairman. To continue, the committee should

have power to report to the house from time to time and to submit its opinions and observations on the matters before it. With regard to petitions it should be able to recommend that petitions (a) be rejected; or (b) be referred by the House of Commons to the government for (1) consideration, (2) favourable consideration and (3) granting in whole or in part; or (c) the committee might recommend that the petitioners take action in the courts.

I have no doubt that when this committee had been functioning for a time our experience would reflect the beneficial results which have been already indicated by the New Zealand experience. To my mind such a committee is an indispensable institution to assure the rights and freedoms proclaimed in the Canadian bill of rights.

Mr. Fisher: One o'clock.

Mr. Martin (Essex East): Would the hon. gentleman agree to going on?

Mr. Fisher: The hon. gentleman would not. Some of us have arranged a meeting for one o'clock.

Mr. Martin (Essex East): Well, we tried.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Stewart: In speaking on this bill on July 4, on second reading, as reported in *Hansard*, starting at page 5695, I attempted to set out some of the difficulties that were apparent to me and some of the problems that this bill engendered; but I concluded my remarks by suggesting that even if there were imperfections in the bill it went a long way toward establishing in Canada basic rights and fundamental freedoms, and I suggested that we should adopt the measure so that we might place upon the statute books of this country those things that we as Canadian people have enjoyed as part of our way of life.

It is true that there are uncertainties in the bill; there are difficulties arising out of Canada's constitutional set-up, but uncertainties applied to the British North America Act, and had our forefathers at the time of confederation allowed those uncertainties and difficulties to stand in the way we would not have the Dominion of Canada today. The truth of that statement lies in the fact that almost 200 cases have arisen over the interpretation of the British North America Act, and over 100 have gone to the privy council for adjudication. I see no reason for changing the opinion I expressed on that previous occasion, but after having had an opportunity to serve on the committee I think I have a better appreciation of the problems and difficulties connected with the bill as well as the advantages and the help that it will provide for all Canadians.

First of all I wish to thank the hon. member for Essex West, who was chairman of that committee. He did a remarkable job, considering that he had a very diversified class to work with. I want to thank also the members of the committee, and I have particular thanks and praise for the hon. member for Bellechasse and also the hon. member for Essex East. I did not agree with him on many occasions, but I think every member of the committee had a keen appreciation of the other person's point of view, and out of the deliberations has come the bill now before us. At this time I want to thank the Prime Minister for introducing a bill which is so important to the people of this country.

In speaking on this bill yesterday the Leader of the Opposition had some criticisms to offer, and I want to refer to some of those criticisms. The first criticism had to do with the timing of the bill. He criticized the Prime Minister for, after having introduced the bill in 1958, delaying its introduction this year until July 1. I should like to refer the Leader of the Opposition—and I do this kindly, without any unjust criticism—to several of the briefs submitted to the special committee and some of the observations made therein by those who presented the briefs. I want to refer to the brief of the congress of labour, in which they said they had been trying since 1947 to have a bill of rights introduced in Canada. I refer to the brief of the associated civil liberties committee, and they also refer to 1947. Therefore I feel that the criticism of the Leader of the Opposition as to timing is most unjust and most unkind.

I should like to place on the record an observation made in one of the briefs, which appears in the committee record. I refer to the brief of the seventh day adventists, at page 71:

> The passage of this measure will mark an historic and significant milestone for this country in its quest for freedom and peace under the rule of law.

The leader of the C.C.F. party also had some criticisms regarding the proposed bill, and although he was a member of that committee —and I say this not unkindly—his contribution to the deliberations did not measure up to the contribution made by the other members. In this connection I want to place on

record my appreciation of the contribution made by the members of the official opposition. On all occasions they co-operated with the steering committee and with the committee itself in its deliberations.

The Leader of the Opposition referred to the observations of Professor Scott in which he was rather critical of the bill; but I would point out to him that Professor Scott, although critical of the bill, did not bring to the committee, in my opinion at least, any constructive proposals. His only proposal was in the form of a constitutional amendment. His proposed amendment was to the effect that the parliament of Canada should surrender part of its sovereignty; in other words, it should place beyond itself the right to amend its own constitution, the right to have any power over its own institutions.

I point out to the leader of the C.C.F. party that this proposal was not concurred in by A. N. Carter, Q.C., a distinguished New Brunswick lawyer. In an article in the Canadian Bar Review, which is also part of the record of the committee, he said that taking that step would result in placing the Canadian constitution farther away from the Canadian people and the Canadian parliament.

The same opinion as to a constitutional amendment was introduced by Dr. Forsey, who appeared with the Canadian Labour Congress delegation. He agreed with Professor Scott that an amendment to the constitution should be made in order that Canada could no longer change its constitution so as to interfere with any fundamental rights and freedoms previously established.

I suggest that is not the proper approach to this matter and is a regressive step. The hon. member for Maisonneuve-Rosemont, speaking in the house this morning, pointed out that the bill of rights does not in express terms, except in the preamble, deal with family life. I suggest to him, as has been pointed out by the hon. member for Bellechasse, that the rights of the family are included in the individual rights set out in the bill. The bill of rights cannot affect a unit or a group but must apply to that group through the individuals comprising it. I suggest that in the personal freedoms set out in the bill we have looked after and protected the family group.

What were some of the criticisms levelled at the proposed bill before the committee? I suggested in my previous remarks and I suggested in the committee that the bill is not perfect, but I submit that it deals only with those matters within the legislative jurisdiction of the federal government and for the present that is all we can expect. We have heard a great deal about the possibility of an amendment to the constitution in consultation with the provinces. I suggest to the committee that that is a far cry from actual consent, and it was submitted by various witnesses before the committee that such consent would not be forthcoming, at the present time. It is very significant, as was pointed out in the committee, that this new approach was made in the closing days of the committee's deliberations.

There has been some criticism that the bill infringes on provincial rights. I submit, Mr. Chairman, that this fear has been banished by the address of the hon. member for Bellechasse, supported as it was by the evidence of the various witnesses before the committee. I need only refer to the evidence of Professor Scott and Professor Bowker, who said there was no infringement of provincial rights. The committee on civil liberties, the Canadian Labour Congress and even Dr. Forsey said that the bill in its present form did not infringe or attempt to infringe upon any provincial matter. I would also refer the committee to the evidence given by Dr. Maxwell Cohen of McGill University, as reported at page 373 of the evidence.

As I intimated before, it was proposed in the closing days of the committee's deliberations that the matter should be postponed and the provinces should be consulted. That was not the attitude of the Canadian Labour Congress. As found on page 226 of the evidence they say that we should pass the present bill, that it will be a step in the right direction, and then at the proper time and place we should discuss with the provinces those amendments necessary to make our constitution wholly Canadian and our bill of rights wholly national.

We also have the statement of Professor Lower at page 323 of the evidence, that in the present state of the country the provinces would not consent. I assume that the professor made that statement with a keen appreciation of the problems involved. We also have the evidence given by Professor Bowker that he was opposed to a constitutional amendment.

These are some of the criticisms that have been raised with respect to the bill. There has also been some talk in the past about sending the bill to the Supreme Court of Canada by way of a reference in order to determine its validity. That suggestion has been more or less dispelled by the evidence given in the committee. I refer to the brief of the Canadian Labour Congress and the evidence of Professor Bowker and others who were opposed to such a procedure. The consensus of all the witnesses was that this bill should be passed and then, as developments

occurred, the necessary changes could be made or a reference then made to the Supreme Court.

We are not dealing here with a subject matter than can be pigeonholed and categorically defined. We are dealing with human rights. We are dealing with the play and interplay of human relations on human beings, and we can only legislate in that field with an appreciation and an understanding of all the prolbems that arise from that relationship. There are no absolute rights when dealing with human beings. Those freedoms set out in the bill are relative freedoms. They are, as one of the witnesses before the committee pointed out, more "values" than freedoms. Freedom is not licence. It is freedom under rule of law; it is freedom under recognized customs of society, laws that we ourselves have established, and it is within and under these laws that we must conduct our human relations.

We in Canada enjoy freedoms brought to this country from two great bodies of law, the common law of England and the Roman law in so far as it has been adapted as part of the civil code. It is in the development of that law, the interrelation of the groups with each other, that we make progress. Progress, after all, is only continual adaptation to an ever-changing environment. Macaulay in his essay "The History of the Revolution" says:

> The history of England is emphatically the history of progress. It is the history of a constant movement of the public mind, of a constant change in the constitution of a great society.

Dicey and other writers of the eighteenth century could and did write of the sovereignty of parliament and the rule of law as the cardinal features of the English constitution. However, over the intervening years there has been a gradual change, as Sir Alfred Denning points out in his book "The Changing Law", at page 1:

> In legal theory parliament is still sovereign, and we still claim to be under the rule of law; but anxiety is raised in many quarters by the growing powers of the executive. The change has no doubt been forced upon us by circumstances. You cannot fight great wars except by giving your leaders power to make great decisions and to translate them into immediate action. You cannot safeguard your currency and trade in a competitive world except by strict control over exchange, and over exports and imports. You cannot ensure fair distribution of necessaries which are in short supply except by a system of rationing. You cannot nationalize essential industries except by putting them under the general direction of the government. All this involves the entrusting of great powers to the executive; and the powers, once given, are apt to continue indefinitely. Some, indeed, have been made permanent; and others cannot be retracted.

If that is a true indication of our present state in Canada, I suggest to the members of this committee that this bill of rights will serve as a curb on the growing power of the executive. After referring to the power of the executive, in the same book at page 2, the author refers to Westminster hall and to the power and place that should be occupied by the courts. He says:

> Such memories will bring back to you some of the great constitutional issues which have been decided by the English people. But you should also remember that, in this hall for nigh on 700 years, the judges of England laid down the common law which precisely defined the rights of the individual and made the life and liberty of every law-abiding citizen secure from injury on the part of others or of the state. Here sat the judges of England right from the days of King Henry II in 1189 till the year 1873 when the courts were moved to their present situation in the Strand. The principles laid down by them have sunk deep into the mind of the nation and have been more powerful than anything else in creating the spirit of the British constitution. If you reflect on all this in that hall, so strong and so well balanced, so built as if for all time, you will get a sense of wonderful history, and with it a knowledge that the English people—and their cousins throughout the British commonwealth—are heirs of a spiritual worth which is a greater power in the world than armies or navies or atomic bombs.

I quoted that part to show this is something that is inbred in every true Canadian. I ask that at this time we keep this basic concept of freedom in mind in our examination of this bill. The bill might not be all we want, but I submit that it is a step in the right direction, and as long as the people of this country are conscious of their rights and freedoms and are determined to retain and to improve those freedoms, we are safe from intrusions and there will forever remain in the minds of Canadians a desire for those things which have been set out in this bill of rights. The criticism that it does not go far enough in some respects, that it is uncertain in some respects, that in one or more aspects it might infringe on some of the powers now held by the provinces, in my opinion should not be valid reasons for withholding passage of this bill.

Mr. Batten: Mr. Chairman, I should like to say, first of all, how grateful I am for the privilege of having been a member of the special committee on the bill of rights. I came from that committee with a much clearer conception of what the problems are, and of the importance of a bill of rights to the Canadian people. I am not a lawyer, and I speak as a layman. As a result of being a member of that committee I was able to see the bill of rights in broader view than I had before going into the committee.

I am not, Mr. Chairman, going to make any very extended remarks at this time, as I shall be following with a great deal of interest some of the clauses which will come

before the committee this afternoon. However, since I did not speak on either of the earlier occasions upon which this bill was before us, I should like to state now that I support a bill of rights for Canada. We live in a country which has a wide expanse; we have people of many races, many creeds and different customs. Because of these differences I think we need something to bind us together so that we will become a nation. I recognize the fact that many of the freedoms and fundamental rights that are mentioned in this bill are already on the statute books of Canada. However, I feel it is a good thing to bring them to our notice, and I think it is a good thing to bring them to our notice in the terms of a bill of rights. I think they will mean something to all Canadians, particularly to new Canadians.

I, too, Mr. Chairman, in some respects am a new Canadian. I say to the committee now that I am a new Canadian and I am proud of it. I believe there are thousands of my countrymen who are proud of this, too. I say, as well, that if their loyalty to this nation is ever excelled it will only be by the loyalty of those who have always had the privilege of calling themselves Canadians.

Again, I say we live in a country that has a wide expanse and in which there are many differences. The bill of rights will serve once again to unite us into one nation. Unity without freedom could very well be tyranny. Multiplicity, on the other hand, might very well be chaos. I think one of the great strengths of the Canadian nation is that we have a unity in multiplicity. Perhaps it is in building up that unity in multiplicity that our bill of rights becomes very important, for no nation can be cemented together until its people as individuals recognize that freedom is not licence to do what we want to do, but the privilege of doing what we ought to do.

I would have liked to see a national bill of rights. I can see the difficulties in the way. I would have liked to see a stronger bill of rights than we have now. Again I can see some difficulties in the way there. But not having either of these, Mr. Chairman, I am going to support the bill of rights as we have it today.

The work in the committee was rather concentrated. We had a comparatively large number of witnesses over a comparatively short space of time. I think the bill now before us, which has just come out of the special committee, is better than the bill which went into the committee. I am not going to recount any further the work of this committee; that has been done by other members of the committee and I am sure will be well known to those who have read the evidence.

But I do think that we did not have quite enough time to do the important job that was entrusted to us. I think maybe if we had had more time and this bill had been brought into the house earlier in the session, there would have been the possibility of having before the committee more witnesses with a greater diversity of opinion. I also think many Canadians with strong feelings about the bill of rights would have made presentations if there had been more time for them to do so. Certainly for many of those who would have liked to come to this committee, they had little time to prepare the evidence which they would have liked to submit.

Then again, another thing which I thought was important was that some of the briefs which were presented, either written or in oral form, were worthy of more study, and when the committee was operating at the pace it was there was little time to give the presentations the type of attention they deserved.

I do not quite agree with the hon. member for Charlotte. He and I sat on this committee together and I appreciate the opportunity I had of knowing and appreciating him better, both as a member of parliament and as a man. But both of us having sat on the bill of rights I know he is going to accord me the right of differing with him. I do not think there was enough time to give this bill the attention which it deserved, and I do not think the Canadian Labour Congress took the view he suggested it did. Mr. Chairman, let me read from page 2 of their brief, as set out on page 191 of volume 3 of the evidence. The Canadian Labour Congress said this:

> First and foremost, it feels that at this stage of a session of parliament the present bill cannot receive from this committee the careful and thorough consideration it ought to receive.

The brief went on further to say:

> Great issues, profound issues, issues of immense legal difficulty, are at stake. It is simply impossible for any individual, however learned, however eloquent, however long he has considered these questions, to present his views adequately upon a few days' notice. It is simply impossible for all the individuals who should be heard to make their views known to you within the compass of five or six days. And what is true of individuals is even truer of organizations, which, in the nature of things, need more time to prepare their submissions.
>
> This is not the way to deal with questions of such import. It is not seemly. It does not give the people of Canada the chance they ought to have, and were led to expect they would have, to present their views with that coherence and order which so high a matter demands.

I think there were others, too, who made presentations before this committee who regretted the fact that this bill had not been brought in earlier and been given more time

for the study of its various implications. We did have individuals who came and gave their private opinions. We also had individuals who presented briefs on behalf of organizations. I was one of those who thought some representatives from the provinces should have presented briefs on behalf of the provinces. I am not referring now to the constitutional rights of the provinces or the question of the constitutionality of the bill; I am referring to the fact that if we had one representative before the committee representing a certain organization, surely some representative from each of the ten provinces should also have had the right to appear before this committee.

I further believe that additional progress could have been made toward a national bill if earlier in the year an effort had been made to contact the provinces and ascertain their feelings on this very important matter. In fact, from statements made at the recent federal-provincial conference there were indications that perhaps we could get a little nearer to agreement on this matter than we thought possible a month ago. However, I think we as Canadians can look forward to the time when other steps will be taken in this very important period of constitutional history in our country, and that in time a national bill of rights will become a reality for all Canadians.

Mr. Spencer: Mr. Chairman, I would like at the outset to express, as did the hon. member for Fort William, the intense pride and honour that I felt was mine to sit on this committee on the bill of rights. I subscribe to everything he said with the exception of the very kind, and I must say gratuitous, reference that he made to me as chairman of that committee.

It is true that at the outset we on the committee did run into troubled waters and rough weather, and if it had not been for the fact that we had a very excellent crew I am afraid we might have lost our cargo. However, the storm subsided just about as quickly as it arose, and from that point on we enjoyed the work he had to do together, and in due course of time we completed our work, brought our ship into port and landed our cargo. It is true that in the process of reaching port we did take on a little additional cargo, but I must say that the bill of rights which we reported to this house is essentially and fundamentally the same bill of rights which was assigned to us for study.

I was rather surprised when the hon. member for Assiniboia expressed the opinion that this bill as reported contained about 50 per cent of new material. I must differ with that. I think a study of the bill which is before us now, apart from the preamble which it was indicated at the outset would be an acceptable addition, would show there have been only five changes made in this measure. First of all in clause 1, which is the clause now before the committee, there was a change made which emphasized rather than added the right to the freedoms which are set forth in that clause, without discrimination by reason of race, national origin, colour, religion or sex. Those words were simply taken out of subclause (b) of that clause and were added to the premises for the purpose, as I think, of emphasizing that these rights and freedoms were to be enjoyed by everyone without discrimination.

In that respect I think we set at rest what may be referred to by some as criticisms. I do not look upon them as being that. I look upon them as being only constructive suggestions.

We made three additions to clause 2, and again I emphasize that these are not matters which were not included in the general enumeration of rights and freedoms in clause 1. Clause 2, after all, is the interpretative clause, and it is in that clause that an attempt is made to spell out in particular those things to which the courts must have regard when it comes to the interpretation or the application of the laws of the parliament of Canada.

These changes involved, first of all, the removal from subclause (b) of the words that were contained therein as to the imposition of torture or cruel, inhuman or degrading treatment. What the committee did in this instance was to substitute for those words the phrase "cruel and unusual treatment or punishment". I am not going to deal with reasons for that, as these will come up later when we come to consider this particular clause, but fundamentally it was the same language we had in that clause before, except that we wanted to make it clear that it did not contemplate the abrogation of any punishment in the present Criminal Code.

The other two changes in this clause were made in subclause (f), and again I say that this was only for the purpose of spelling out in greater detail, without becoming too verbose, those rights and freedoms declared in the first clause of the bill. What was added, then, was a well known and well recognized basic principle of criminal law in this country, namely that a person shall be presumed innocent until proved guilty; and along with that we added at the end of that clause the rights to reasonable bail unless there was just cause for refusing it. These are rights which are already preserved in our Criminal Code, but because of the suggestions made

by many that we should proceed a little further in clause 2 to spell out in detail the rights and freedoms stated, the committee went along with the suggestions to add those provisions.

The fifth and last change has to do with the next clause, which relates to the functions of the Minister of Justice. There was a good deal of consideration given to the matter. He had to examine the statutes and it was uncertain, having done that, what his duties should be. Now the clause sets forth his duties, and so on. It was considered desirable to add to that clause the words to be found at the end of the present clause 3, namely that at the first opportunity he should report to the house any inconsistency relating to acts of parliament or regulations passed or intended to be passed.

That is the sum and substance of the changes which have been made in this bill. The other things we did were simply to rearrange the contents and make it perhaps a better bill, in that the bill of rights would be in a form suitable for posting on the walls of schools, church assembly halls and so on, and perhaps make it a little more readily understandable by the layman.

Now, having indicated that the bill which we have reported is essentially the same bill we received, I should like to add my voice to the many others who have spoken for this bill not only during the four days of debate on second reading but previously in this committee. The Prime Minister, as we know, has for years advocated a bill of rights in written form. He has devoted a great deal of his time in this house to urging upon the government of the day that this should be done. No one, I believe, has worked any harder to bring about a removal of the prejudices that unfortunately still exist in this country, and to bring about unity not only between the two great races in this land, the French and the English, but also between those of other races or their descendants who have come and joined us in establishing a Canadian nation.

At this stage I should like to put on record a matter that was referred to by the Prime Minister when he spoke on July 1. That was the resolution the hon. gentleman introduced in the House of Commons on May 3, 1946, at the time the house was considering amendments to the Citizenship Act. I do so in order to indicate that as far back as 14 years ago the Prime Minister held the views that he holds today and which in the main are embodied in the bill before us. The motion moved by the hon. gentleman on that occasion was in these words:

That the following words be added to the section as subsection 6: "Such certificate of citizenship shall be deemed to include a bill of rights as follows:

1. Freedom of religion, freedom of speech, and the right to peaceable assembly are assured.
2. Habeas corpus shall not be suspended except by parliament.
3. No one shall be required to give evidence before any tribunal or commission at any time if denied counsel or other constitutional safeguards."

That was the resolution introduced at that time. From that time forward, year in and year out, the records of parliament will show that the Prime Minister has persisted in advocating the early adoption of a bill of rights in statutory form.

Before referring to some of the views expressed by those who appeared before the committee perhaps I may be allowed to put on record the names of the organizations and individuals who appeared, in view of the references made by the last hon. member who spoke. It is true that the committee dealt with this bill in a reasonably short period of time, but the committee worked diligently and thoroughly. In that period of time the committee held no less than 25 meetings and heard representations from the following: Professor F. R. Scott of McGill University; Professor C. P. Wright of Ottawa University; Professor C. R. Dehler of St. Eustache sur le Lac; Rev. D. L. Michael, executive secretary of the Seventh Day Adventist church in Canada; Mr. Saul Hayes, Q.C., executive secretary of the Canadian Jewish congress; Mr. Donald McInnes, Q.C., dominion vice president of the Canadian Bar Association and representing that association; Professor Bowker, dean of the faculty of law of the University of Alberta; Mr. Irving Himel, Q.C., executive secretary of the association for civil liberties; Mr. Claude Jodoin, president, as well as other officials, representing the Canadian Labour Congress; Mr. F. R. Varcoe, Q.C., a former deputy attorney general for Canada; Mr. L. A. Tufts, representing the Christian Science committee on publications of the Christian Science church; Professor A. R. Lower of Queen's University; Professor O. E. Lang of the faculty of law of the University of Saskatchewan; Professor Maxwell Cohen, acting dean of the faculty of law of McGill University and Mr. D. W. Mundell, Q.C., who for two years was chairman of the civil liberties section of the Canadian Bar Association.

That is a formidable list of witnesses who appeared before the committee. In addition we had the Minister of Justice with us at several meetings explaining and dealing with the various clauses of the bill. The committee also had before it briefs which were submitted in written form. Other persons and

organizations had also been contacted but did not appear before the committee, because in most instances it was indicated to the committee that their points of view had already been presented to it.

I suppose that a committee sitting to discuss a bill as important and far-reaching as this could go on endlessly hearing witnesses. Every time publicity was given to the views of a witness before the committee we would at once receive word that somebody holding a different view would like to appear. I am convinced in my own mind, as I am sure every hon. member of the committee is, that we had placed before us every conceivable point of view which could be advanced in regard to this bill, and that no useful purpose would have been served by having two, three, four or more witnesses appearing before the committee to present essentially the same argument.

I think that also applies to this committee. In that respect I hope to avoid repeating the arguments advanced by other hon. members of the committee. Reiteration of the same point of view is not what was needed by the committee that dealt with the bill. I am confident that we had before us all the points of view that could be presented, and that no useful purpose would have been served by continuing to hear further points of view or having the committee sit at greater length.

May I refer to the views expressed by Rev. D. L. Michael on behalf of the Seventh Day Adventist church in Canada, which appear on page 70 of the minutes of proceedings and evidence. He said this:

> The Prime Minister and government are to be commended for the genuine concern in the preservation and extension of human rights that the introduction of this bill represents. Members of the Adventist Church in Canada have watched with great interest the efforts of the Right Hon. John G. Diefenbaker, Hon. David A. Croll, Mr. M. J. Coldwell, Hon. Arthur W. Roebuck and many others to secure the basic rights of Canadian citizens through a comprehensive bill of rights.
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> The work of many public spirited individuals now finds fruition in this step that the parliament of Canada is being asked to take. The passage of this measure will mark an historic and significant milestone for this country in its quest for freedom and peace under the rule of law.

I am not going to repeat them, but the hon. member for Greenwood earlier in this debate referred to the words of Professor Lower somewhat along the same line. Again, may I read from page 132 of the evidence the opinion expressed by Mr. Hayes on behalf of the Canadian Jewish Congress. He said:

> We highly commend the Canadian government for having introduced Bill C-79 and recommend its early adoption with such refinements of text as the labours of this committee will produce.

There were others who appeared before the committee and expressed similar views. It is true there were some who felt that a bill of rights such as this should be somehow enshrined in the constitution, but I think without exception—there may have been some mental reservations—everyone admitted that in any event this was a first step and a big step toward that ultimate which some of them thought desirable.

Much has been said about the views of Professor Scott. As has been said, the professor did not have very many fine things to say about this bill, but he did have a view to express which I think I should refer to because to my mind it was a retrograde step that he felt the committee and parliament should take. In that connection may I read what he said at page 24 of the evidence.

> A method by which an amendment could be obtained without necessarily having prior consultations with the provinces is; if the parliament of Canada wished, it could secure a constitutional amendment which would take away from itself in the future the power to make Canadian statutes contrary to certain basic human rights. It could do that—and since the amendment would in no way affect the present rights of the provinces, the prior agreement of the provinces to that constitutional change would, in my opinion, not be necessary—no consultation would be necessary. If the parliament of Canada wishes to have less legislative authority than it now possesses, there is nothing to prevent it, as it were, giving that authority back to the United Kingdom parliament and leaving it there for the time being.

If I understood the professor, that simply meant that to enshrine those rights and freedoms in a constitution so it could not be changed by this or a subsequent parliament, he had in mind the retrograde step of returning to the United Kingdom the powers which over the years we have consistently advocated should be removed from the United Kingdom and brought to Canada. Therefore it appears to me that in the view of some who criticized this bill on the ground that they would prefer to have a constitutional amendment, in order to have the kind of amendment which would not be subject to change we would have to surrender some of our Canadian sovereignty.

What has been Canadian history, particularly over recent years? It has obviously been an attempt by the people to obtain rights against the state. First of all, as we go back into English history—and I must say that in his evidence Professor Cohen gave us a very good but rather lengthy review of the evolution of the freedoms that we enjoy today—we find that the power of the crown was supreme. Then there was a contest to remove that power from the sovereign and give it to parliament. In time that did succeed, but there was also at the same time a contest between the power of the state and the individual and that went on—

The Chairman: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. Martin (Essex East): Mr. Chairman, I think the hon. gentleman should be allowed to finish his remarks.

The Chairman: Does the committee give unanimous consent to the hon. member proceeding?

Some hon. Members: Agreed.

Mr. Spencer: Mr. Chairman, I thank the committee for extending this privilege to me, and I will make my remaining remarks as brief as I possibly can. May I at this point refer to a matter mentioned by the Prime Minister during the course of his remarks in the debate on the bill; namely the Quebec Act, passed in 1774 which, as hon. members will recall, granted freedom of religion to the people of the province of Quebec, which at that time comprised practically all of Canada as it was then constituted. With that, of course, went the freedom to profess and practise the religion of the church of Rome. This measure preceded the granting of freedom of religion in the United Kingdom.

Hon. members will also recall that at that time slavery existed in the provinces of Canada. Immediately after the passing of the act which divided the then province of Quebec into Upper and Lower Canada we find that in 1793 an act was passed in Upper Canada for the abolition of slavery. This act passed in our country preceded by 40 years the statute of the United Kingdom of 1833 which abolished slavery throughout all British possessions. I think it is desirable to quote from the act of 1793, which provided in part as follows:

> No negro or other person who shall come or be brought into this province... shall be subject to the condition of a slave or to bounden involuntary service for life.

Of course that did not free slaves already in Upper Canada, but the act went on to provide that every child born after the passing of the act of a negro mother or other woman subjected to such service should become absolutely free on attaining the age of 25, the master in the meantime to provide proper nourishment and clothing for the child. The act further declared that all issue of such children would be free whenever born.

Here in Upper Canada, a British colony abolished slavery by legislation for the first time. The struggle for the emancipation of man as against the power of the state and as against other individuals went on. True, in the course of time we came to feel, mainly through the courts, that there existed a natural law under which we had certain well defined rights and freedoms, but they were never embodied in a statute; and it was undoubtedly the view of the Prime Minister that at the very first opportunity that would avail itself to him he should urge that this be done. It must afford great satisfaction to him that now, after many years of struggle and effort, parliament has before it and I hope will enact, a statute which will be a monument to him, and something of which not only the Prime Minister but all of us who have participated in the work of the special committee and in the consideration of the measure in parliament will be justly proud in years to come.

Mr. Fisher: Mr. Chairman, I have no great contribution to make to this debate, but I do want to frame a few questions for the Minister of Justice as one particularly interested in this legislation. I wish to refer him to an introduction that he wrote several years ago to a book called "Freedom Wears a Crown", by John Farthing. To be more explicit, I am very much interested that he should have a part—I assume he has a part and is in essence helping to sponsor the bill —in something that gives no recognition to the great theme of this book of which he approved in such forthright terms in the introduction. If I read several paragraphs I think I will make my point. I assume that the E. D. Fulton mentioned here is the minister, and in the introduction on page 16 I find this paragraph:

> The second thesis is that in Canada we chose, as our political system, the crown in parliament, with its ideal of individual liberty guaranteed by the written and unwritten laws governing the relationship of the three constituent elements, crown, cabinet and commons. The choice of that constitutional system was a free and deliberate decision made by Canadians and accepted equally by the two main elements of the population of Canada.

The minister, before he was a minister, went on to approve to a great extent of the general theme presented by Mr. Farthing, and I wish to read several paragraphs from the book. I should like the minister's comment thereon in relation to the measure now before us. On page 142 there is the following:

> Our constitutional inheritance was the living product of a long process of historical growth and development, and the tradition it embodied is of an order already proven of value in dealing with changing conditions of life and with changing climates of opinion. Such an order and such a tradition are not things that must of necessity be cast aside because the world has changed since the days of Queen Victoria. The British constitution was not the product of the Victorian age, and the British tradition is in no way bound to or fettered by any historical epoch. Indeed that is the essential point of contrast as it is also the essential glory of the British tradition as compared with the American. Their constitution binds the Americans to the ideas and mental climate of the

eighteenth century. They are tied, as it were, and for all time, to the apron strings of George Washington.

We are not so tied. On the contrary, we inherit an ever-living historical tradition; ever-living precisely because it is historical; because in every successive age it has been drawing sustaining life from established roots and giving new strength to that life by drawing new food from new sources. It has been and remains a truly creative power, not carried about by every wind that blows, but meeting the present always in the firm assurance of the past with the resources of wisdom and of strength that can only be found in such an assurance, and in such a source.

Mr. Chairman, the Prime Minister on various occasions, and the Secretary of State for External Affairs the other day, indicated in reply to questions by the hon. member for Assiniboia the deep interest and devotion of the members of the government to the British tradition and the crown, and the great respect they have for the mother of parliaments. I am not arguing that there should have been included in this bill any reference to the crown and the British tradition, but I do think we deserve an explanation from the minister or someone on the government side as to their reason for not including some reference to what I think is the most important part of our tradition. The minister was so forthright in his reference to the crown in parliament and the constitution as something that is above and beyond the government, the emphasis being upon the system rather than upon the members of the government—

Mr. Fulton: Would the hon. member like an answer to that now? I can give it to him in a few words.

Mr. Fisher: I shall complete my remarks very shortly. I have looked through the bill as amended, and I can see no touchstone—and I thought we might find one—in the preamble to the British parliamentary tradition. I am speaking personally, and not in a party sense. One of my great regrets is that we teach so little British history in this country, which could be a part of our tradition.

I should like some explanation from the government as to why this measure, which the government regards as of such fundamental importance, does not contain at least some recognition of that particular part of our tradition. I know it was argued, as I remember, by Mr. Garson, the minister of justice in the previous administration, that one of the reasons we did not need a bill of rights in this country was that we were within this mainstream of the British tradition, so it had not been found necessary to enunciate it. Obviously this government does not believe that Mr. Garson had the right approach.

However, the view is widely held by many people in Canada, I would not say the majority, that one of the great guarantees of our liberties is the crown in parliament and the British tradition. I should like an explanation as to why this does not seem to have found recognition in this particular document. Wherever we turn in Canadian life we find references to such things as the Crown Assets Disposal Corporation. The minister said he was proud to get up and speak as a representative in parliament of the Royal Canadian Mounted Police. The Prime Minister is creating such things as royal commissions. A great deal of our language, in so far as parliamentary terms in concerned, and a great many of our procedures go back to this tradition, and I am wondering if those words are going to become completely meaningless unless they find some recognition in this bill.

I realize that I have perhaps given too much detail and obscured my point, but I am asking from an individual rather than from a party point of view as to why there was not a recognition within this document itself of that particular point of view, especially in the light of what I have always taken to be a part of the tradition of the Progressive Conservative party.

Mr. Fulton: I think this point deserves an answer at once, Mr. Chairman. I should like to say to the hon. gentleman that there is, in my view, no inconsistency between this bill and the views I expressed in the foreword of the book to which he was kind enough to refer or the views expressed in the book itself by the late Mr. Farthing. Explicit in those passages was the view that the Canadian tradition, coming down from the British tradition in this field, is a parliamentary tradition. Parliament means the crown in parliament, our parliament depending for its life, its living force, upon the necessary presence of three elements, including the crown. Well, that most certainly is embodied in this statute. It is embodied in the phrase, "Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows".

I suggest this seriously to my hon. friend. I am not trying to minimize his point by referring to this as a small thing, it is a very important tradition, and this expression which appears in every Canadian statute embodies that tradition. It is correct to speak about the crown in parliament for it is the crown, by and with the consent of the Senate and the House of Commons, that enacts the statutes under which the Canadian people live. That is parliament. You will observe that we have started the preamble in this way:

The parliament of Canada, affirming that the Canadian nation is founded upon principles that acknowledge—

Affirming also that men and institutions remain free—

And being desirous of enshrining these principles—

—in a statute, and then we say—

Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That is parliament acting, and it is the crown in parliament, so it is complete. It flows from that very tradition and recognizes the living authority of the tradition which was discussed in that book.

Mr. Fisher: I acknowledge this, and I noted that particular part in the preamble. However, this part is in the preamble of every statute we enact. It is the argument of the government that this bill is of fundamental importance. We have this preamble in response to what I and many other members requested, something that would be a ringing declaration which could be used in the schools. While I can agree that this preamble is much more worth-while than what we had before, still there is no reference within the preamble either to the crown or to the British tradition. I just wondered why it was not thought proper to put it in.

Mr. Fulton: I think I can give the answer. The bill of rights is not concerned with a definition of the elements of the constitution, of the elements of parliament itself. It is concerned with a declaration of the rights of the people of Canada. It is because the constitutional tradition is a tradition within this parliament which enacts the bill that it is not necessary to define that tradition in terms of saying what is the constitution defining the elements of the parliament that is enacting this bill. We know that because that is part of our tradition. If at any time we have to look it up we go to the British North America Act which is, in itself, the basic document of the Canadian constitution. We find there a definition of our constitution. We find there the passage I had in mind in that portion of the foreword to which reference was made, namely:

Whereas the provinces of Canada, Nova Scotia, and New Brunswick have expressed their desire to be federally united into one dominion under the crown of the United Kingdom of Great Britain and Ireland, with a constitution similar in principle to that of the United Kingdom:

We find, therefore, within the British North America Act itself an outline of what constitutes our parliament, the House of Commons and the Senate, and it is a parliament with the crown; that is our constitution and that is our parliament. It did not seem to us proper or necessary to define our constitution in a bill of rights, which is a bill enacted by parliament and concerned with a declaration of the rights of individuals in Canada.

Mr. Fisher: Would the minister agree that this clause affirms that the Canadian nation is founded upon principles, and then the preamble goes on; and would the minister not agree that those principles are, in the main, inherent in the British parliamentary traditions?

Mr. Fulton: Yes, I think that is true, too, but their traditions recognize these principles. But here the kind of principles we are talking about are principles that primarily relate to and give foundation for and validity to the rights and liberties of the individual. We are concerned with a bill of rights here rather than a definition of constitutional principles.

Mr. Martin (Essex East): Mr. Chairman, as a member of this committee I wish to make a few general remarks. I would, however, like to say to the Minister of Justice who has been active in the prosecution of this measure that when we come to the various clauses I am sure he will expect a more detailed discussion than is possible at this juncture.

I would like to join with my colleagues on the committee in expressing a word of thanks to the chairman, my fellow townsman, for his direction of our work, and to all members of the committee regardless of their political interest for the serious and responsible attention that they gave to the deliberations of the committee, which came unfortunately toward the end of the session, and involved 25 meetings in little less than three weeks, thereby imposing on all of the members of that committee a task which was by no means easy to accept.

I believe we now have before the house a bill in an improved form, a bill that has undergone substantial modification, considerable tightening up and, generally speaking, within the limits available to us, a much more effective document.

During the course of the committee's proceedings the Minister of Justice paid a tribute to Mr. Driedger who, he said, had formulated most of the terms of the bill before us, when we were on second reading. I think it is only right, when tributes are being paid, to acknowledge the author of the bill that was before the house on second reading.

We had before us during the 25 sittings of our committee some distinguished jurists, historians and constitutional authorities. We

in the Liberal party, who as the hon. member for Charlotte so generously said took our responsibilities seriously, were I think able to suggest most of the individual people, apart from organizations, who came before the committee. We are grateful and indebted, therefore, to Professors Scott, Bowker, Cohen, Lang, Lower and Wright, and Mr. David Mundell.

I regret very much that Mr. Carter, who had strong views about the concept of a bill of rights itself, was not able to participate in our discussions, although he wrote a letter available for all to read. I regret, too that Professor Bora Laskin, who must be recognized as one of the foremost authorities on constitutional law and practice in our country, was not available; and I regret of course that Mr. Louis-Philippe Pigeon of Laval University who communicated vicariously with the hon. member for Bellechasse did not appear before the committee because his views with regard to those parts of the bill that touch on provincial powers were very important in our considerations. They had much to do with the acknowledged limitation of the federal government in this field, and as now stated in the preamble of the bill.

We did our best to propose further modifications to the bill, which were not recognized by the majority of the members of the committee or by the Minister of Justice. I believe that time will show those amendments which were not accepted would have considerably improved the scope of the bill and would have been in keeping with the evolutionary character of the conception of rights which, in a growing society, from one period to another, will become more and more apparent as time goes on. Thus we have learned in the twentieth century that rights and duties, while they may continue to be in some measure the same, nevertheless have expanded through new concepts which have given rise to new rights and corresponding duties.

The Leader of the Opposition last night mentioned that we now have in the bill a preamble. He observed that when the suggestion was first made on second reading it was ridiculed by the Minister of Justice.

Mr. Fulton: Mr. Chairman, that is not correct. What I was talking about was poetic language. No specific objection was taken to a preamble.

Mr. Martin (Essex East): I would regard the characterization of a preamble as poetic language to be the kind of ridicule one would expect from a man whose brilliance we must recognize in the person of the Minister of Justice. Brilliant men have their method of deriding something that is good. I regard this particular form of derision, cynicism or satire as a criticism of the suggestion for a preamble.

In any event we now have a preamble, and I must say that we are grateful to the minister and his officers who acted as a sort of co-ordinator for the various suggestions of preambles which were made by different members of the committee, among them the hon. member for Fort William, the hon. member for Bellechasse, the hon. member for Humboldt-Melfort, and several other hon. members. I had the honour of proposing one myself. But I believe that the preamble now in the bill, not fully satisfactory as we shall indicate when we get into the more detailed discussion stage, is perhaps one of the satisfactory features of the bill in that it does enable a greater appreciation of the implications of this bill of rights, short as it is of being a national bill and not completely satisfactory in terms of the effect which flows from the attempt to give it the power of a legal enactment.

Nevertheless the preamble is something which I believe deserves emphasis, because it incorporates three concepts which were not fully present, or in two particulars, not present at all, in the bill as originally presented.

First of all, there is stated in the bill that the Canadian nation is founded on principles which acknowledge the supremacy of God. I am happy to say as a member of the committee that every member readily supported the idea that in a document of this kind in Canada there should be an acknowledgment of the religious character of this country and of the recognition that Canadians, generally speaking, accord to God himself.

I thought that the observations of the hon. member for Humboldt-Melfort in stating his views in this particular were impressive and will for a long time remain with me. He said, as I indeed had previously indicated in the committee, that we were divided between two main ideologies so-called, the one based on dialectical materialism, and recognition or belief in the supremacy of man, the other based on spiritual and moral values, which take their form in a belief in the supremacy of God. In a document of this kind there should be no hesitation on the part of nations like our own in affirming this fact. I believe it is well that we should have taken this decision. I think it is a decision which was taken, not with any political consideration in mind but as one subscribed to by all those members present on the committee representing all the political parties.

Then there is the recognition of a suggestion which was made by this particular party, that there should be reposed in the preamble an acknowledgment that the Canadian family is an essential constituent of our society. I must say in all fairness to the hon. member for Bellechasse, that he had distributed a preamble, which had not been put forward officially but in which he did recognize the importance of the Canadian family as the basis of a society of free men and institutions.

Because many of us on the committee and because many of the constitutional experts outside were concerned about the fact that clause 2 of the bill did seem to touch provincial powers, or at any rate was so worded as to create doubt in the minds of those who were disposed to examine the proposition, we did suggest that either in the preamble or in some other clause in the bill words should be included which would clearly establish that this bill was not intended to touch upon, and that it did not in fact touch upon, any powers which did not come within section 91 of the British North America Act or which did not come within the powers of the federal parliament. I am not fully satisfied, as I have privately indicated to the Minister of Justice, that in the English version of the text we have completely made this clear, but I am satisfied that in the French text we have succeeded in doing so. The French text at this point reads:

(Translation):

—which shall reflect the respect of parliament for the provisions of its constitutional authority.

(Text):

It seems to me that when we come to examine the preamble, we shall have to use words of strength in order to meet the point of view we have in mind. There have been suggestions we should use the words "within its legislative competence" and that certainly would have been satisfactory to me.

May I, even at the expense of being accused of false pride, join with my colleague the hon. member for Fort William and put on the record of this house my own thought as to what should have been in the preamble by reading the very words that I proposed. These were:

Before God, the Canadian people, united for the common pursuit of their well-being, composed of persons of various races and religions from many nations; intent on preserving the dignity of the individual in his rights and freedoms, which have been secured through the institution of parliament and the law, desire to reaffirm their faith in these human rights and fundamental freedoms.

Having joined with other nations and their peoples in the universal declaration of human rights, the people of Canada rededicate themselves to the principles of that charter in its human, social, political, economic and legal terms, particularly those concerning the sanctity and inviolability of the family as the fundamental unit of society, the right of the individual to participate in government and to earn a living for himself and his family.

The Canadian people, therefore, believe that it is meet and proper that, for the better understanding of all, the parliament of Canada declare before man and God, on behalf of the nation, those human rights, fundamental freedoms, and objects of national purpose that are within its competence so to do.

In any event, I was among those whose text was not fully accepted, but it will be recognized, as in the case of most other suggestions, that the composite arrangement put forward by the Minister of Justice through the efforts of the law offices officers does meet the chief objectives we had in mind.

I simply want to say it would possibly be a waste of time to try to add up the suggestions which were made by this party or by that, but it is significant that the members of this party, like the members of the Conservative party, did in their individual capacities make valuable suggestions. I can hardly agree with the member of the committee, who has just spoken that the extent of our contribution was to be measured merely by five different acceptances. When we get into more detailed discussion, I think it will be possible to show that the extent of the contribution made by those in this party was much greater and amounted to more numerically than the hon. member seemed to accept.

It is significant that in clause 2(f) of the bill before us the amendment dealing with the legal right of the presumption of innocence and the matter of granting reasonable bail to an accused were accepted in principle by the committee, and are now incorporated in the bill. The anti-discrimination clause has been strengthened as a result of suggestions put forward as an amendment by members of this party. I mention this not because I wish to discriminate against members of the Conservative party—that is not my intention —but to indicate that the contribution of the members of this party was, as the hon. member for Charlotte so generously pointed out, a valuable one.

We are particularly reminded of the contribution made by the hon. member for Vancouver-Kingsway, who I think more than any other member was responsible for extricating the minister from what I would call at least an intellectual dilemma, if not a dilemma of another kind, because of the words "torture, cruel and degrading punishment" which he had in the old clause 2(b). So there were contributions made by many hon. members, which have resulted in a considerable improvement in this document.

I listened with great interest to what the hon. member for Bellechasse had to say in his able speech earlier today.

(Translation):

The hon. member for Bellechasse (Mr. Dorion) related the question of provincial civil rights with that of family rights. There is not the slightest doubt that, if this bill were to encroach upon family rights within the province, it would be ultra vires, or beyond the jurisdiction of the federal government.

However the member for Bellechasse himself recognized, and still admits today, that the effect of the bill is limited to the legislative jurisdiction of the parliament of Canada.

Therefore, it is only within the legislative jurisdiction of the parliament of Canada that we want to affirm the rights and the protection of the rights of the Canadian family.

The member for Bellechasse has always voted in favour of the social security measures which constitute the correlative rights of the Canadian family.

We want those rights protected by the bill of rights. May I point out too that his previous leaders were not always in favour of those measures, for instance, the one respecting family allowances.

We are thinking of the future, and we want to make those family rights as inviolable as possible.

The stand taken by the Quebec premier during the federal provincial conference was not inconsistent with that taken by his party in the Quebec legislature on February 3, 1960.

It will be remembered that in February, 1960, the Quebec legislature took a look at the bill of rights, which was given its first reading on June 27. Now in that bill there was no reference to the legislative limitation of the parliament of Canada.

On July 1, the Prime Minister clearly indicated in his statement that the scope of this bill was limited to the legislative jurisdiction of the parliament of Canada. Later on, we succeeded in having a preamble added which clearly sets forth the legislative limits beyond which the Canadian parliament may not go.

Under the circumstances the doubts expressed by the Quebec legislature as to constitutionality were justified. The preamble, however, does away with any constitutional uncertainties.

I think that the member for Bellechasse accepts my interpretation of the subject he has dealt with.

(Text):

While this bill is not all that we would like it to be and while I should like to see a national bill and one entrenched in the constitution, nevertheless there was never any suggestion by anyone in this party or for that matter in the committee that this bill should be delayed at this time. The only suggestion—and that was in the form of a motion—was that while the federal-provincial fiscal conference was under way, we might wait until the deliberations of the conferees had been settled before proceeding. That would not have taken us beyond the Friday of the week in which the conference took place.

I feel that a bill of rights that is not part of the constitution is not satisfactory. To the extent that this bill goes, it is welcome, but it must be recognized that in its present form in law it will be subject to the rule of interpretation, which I think we will all recognize, and that general statements—and that is what we have in this bill at the present time—must give way to existing specific statutes whether or not they are inconsistent with this bill.

Because I believe that the present bill, consisting as it does of a valuable declaration, adds nothing to our fundamental law—it does not alter it, but generally speaking, it does not add anything to our fundamental law—and because of its general terms it could not be regarded as having legal effect in itself, I believe—and this is the substance of most of the evidence before the committee—of amending any existing statutes which might be regarded as inconsistent with this bill of rights.

I am sure that this general declaration, valuable as it is, will go no further than the courts have already gone in their decisions. What are required in this bill, it seems to me, and what I hope we will consider at some stage of our deliberations, are ways and means of clearly establishing by enactment that all bills inconsistent with this measure are in fact repealed hereby.

I have on the order paper a bill the purpose of which is to amend the Expropriation Act. I hope that we can deal with this bill before we rise and prorogue, because as long as that measure is on the statute books in its present form and as long as its provisions continue to be the law, there will be involved, as the very reading of this proposed amendment indicates, a violation of human rights not by one individual against another but by the crown against the Canadian citizen.

There are other acts which are inconsistent with this bill. They will continue to be the law of the land unless this bill is so modified as to make clear the intention of parliament, that notwithstanding what

they may now contain all such acts are to the extent of their inconsistency abrogated by this measure.

We cannot say we are fully satisfied with the bill in all of its particulars, subject to the amending modifications that I have indicated we will deal with later. There is, of course, the point made by the Leader of the Opposition, that is that the War Measures Act needs a liberalization that may take it to a closer relationship to the guarantees provided for by way of declaration in this bill of rights. It is no answer to say this is not a matter we can discuss, because the government itself in this very measure has already provided for a repeal of some of its provisions. It is no answer to say we will look at this question as a whole in another session. Now is the time when all these matters are incorporated in the same document for us to deal with them so as to reduce to the lowest possible minimum those violations of human rights and fundamental freedoms which we seek to protect in this bill.

There is a whole range of other rights that must be recognized in the kind of society we have at the present time, a society different from that of our fathers and different from that of the liberal-minded men who acted as precursors of the liberal emancipations in earlier centuries. We have an opportunity now, which we must seize while this bill is being discussed in this chamber to give effect to these new concepts and new obligations, referred to by implication in some respects in the preamble of the bill.

This bill is acceptable. It is welcome to the extent that it goes. We are happy to have contributed to an improvement in the quality and in the form of this bill. I think that all hon. members who served on the committee regardless of party and notwithstanding what may have been the misinterpretations of motive and purpose in the early days of our sitting would agree that we, delegated by this house, fulfilled our responsibility as well as we knew how. We have produced a document which, because of limitations not capable of correction by us, is not all that we would like it to be but nevertheless is now in a much more presentable form than it was when it left this chamber after second reading.

I conclude with this. It seems to me this bill will rely for its strength, not on the letter of the law, which is sought to be expressed, not in the decisions of our courts, which will ultimately be given,—and there will be much judicial law making because of the uncertainties and ambiguities, because of the doubtful powers, here and there, which have been pointed out by the hon. member for Charlotte—the *raison d'être* of this bill will be found largely in the disposition and in the attitude that Canadians take one toward another. Through tolerance and generous appreciation of the rights of one's neighbour, we in this Canadian nation will be able to see grow and strengthen the advantages of liberty and freedom.

I should like to conclude what I have to say by saying the tolerance and the unity that we look for in Canada which is basic in this bill was expressed by Sir Wilfrid Laurier more eloquently than anyone that I know when, speaking to a group of students during the days when he was one of the great statesmen of our country, he said this:

> Three years ago, when in England, I visited one of those models of Gothic architecture, which the hand of genius, guided by an unerring faith had moulded into an harmonious whole. That cathedral is made of marble, oak and granite. It is the image of the nation I would like to see Canada become. Here, I want the marble to remain the marble; the oak, the oak; the granite, the granite. Out of these elements, I would build a nation great among the nations of the world.

Mr. Diefenbaker: Mr. Chairman, I shall not traverse the ground which I covered on previous occasions; indeed, my remarks today will be limited by the fact that on many previous occasions I have dealt at length with this matter. I would be less than frank, Mr. Chairman, if I were not to say to you how much I feel the discussions that have taken place in the last 14 years as to the need of a bill of rights in Canada have borne fruit. This is evidenced by the views now expressed by the hon. member for Essex East who, with commendable eloquence, paid his tribute to the need of a bill of rights in Canada although still continuing to hold the view expressed by others in the opposition and elsewhere that before a bill of rights can become finally effective in a national sense a constitutional amendment will be required.

I intend to take but a few moments to refer to the great transition that has taken place, for all during those years from 1946 to 1957 there was never at any time any support from those who then occupied the treasury benches of this country, although in the Liberal party support did come from two hon. members, both of whom are today in the Senate of Canada, namely Senator Roebuck and Senator Croll, as well as from Alistair Stewart, a former member of this house, and Mr. M. J. Coldwell, the leader of the C.C.F. party. I say this not by way of criticism, but it indicates how in the passage of time reformation does take place. From the attitude of the treasury benches of this country in the days of 1946 to 1957 we have now passed to the position where hon. gentlemen such as the hon. member for Essex East now give to a bill of rights support which in past years they did not accord to it.

In this connection, I think I might read the words of the hon. member as recorded in *Hansard* of May 7, 1946, at page 1311. These words, marked by eloquence, were clearly and sincerely the views of the hon. gentleman in those days; indeed, they represented the views of all hon. members who occupied the treasury benches of this country at that time. This is what the hon. gentleman said:

> A land of settled government,
> A land of just and old renown,
> Where freedom slowly broadens down
> From precedent to precedent.

That is the character of our system, the system I had in mind in using the words that appear in section 26 of the bill.

That was the Canadian Citizenship Act.

That is the system which says it is not possible at any given moment to cover the whole ambit of future civil liberties, or even those liberties as they exist at the moment, in such a way that we may not lose any of their implications or endanger possible future important liberties. The best way to deal with them is the way they have been dealt with in our legal system within the commonwealth, by recognizing that these great unwritten powers are as effective in the implicit understandings of the law, rather than being set down categorically in the form of a completely written constitution. But the methods of protection of the individual under our system, based upon British constitutional tradition, are of a different order. The protection under our system depends upon two things: first, the guarantees provided by the common law and set forth in part in Magna Charta and the Bill of Rights; and second, the fundamental democratic tradition and the British operation of parliament itself. Those are the guarantees relied upon in our system which the government believes to be the best way of guaranteeing the rights and freedom of the subject; for the fact is that while France, the United States and other countries have embedded in their constitutions specific bills of rights, I do not think we, as countries within the commonwealth, need take second place to any country in the world in the protection that historically and indeed currently is afforded to the subject.

Then he went on to say:

These have proved—

Those are the guarantees he had referred to.

—to be the most lasting and effective guarantees of human liberty the world has ever known, and I do not think we would or could gain anything by changing this basis unless we wish to swing over completely to guarantees through organic legislation of the type relied upon by other countries.

Those were the views in 1946. Those views were not restricted to the hon. member but were held quite widely. But with the passing of the years and the educative process that has proceeded whereby year by year this question was brought before parliament by various members to whom I have already referred, today we find ourselves in agreement. Indeed, we now find ourselves in the position that those who opposed now support, those who minimized now say that the present bill does not go far enough, those who trod upon the suggestion that something of this kind was necessary now embrace it. Yes, it might even be said, Mr. Chairman, that the stone which so many of them rejected has become the cornerstone of their present beliefs. That is laudable. It represents the operation of the parliamentary principle.

I cannot tell you, Mr. Chairman, how pleased I am at the degree to which those principles which we have advocated throughout the years have now become the generally accepted view of the House of Commons. I think that is all to the good. I think that today, as the hon. member for Essex East said in picturing the world in which we live in the cogent and powerful words he used, we in the free world must set forth declarations of those things for which we stand and in which we believe. Communism is aggressive, communism has a philosophy, and the communist knows how to use that aggressive philosophy.

Indeed one of the results of the trip I took to commonwealth countries some years ago was this. As I visited the commonwealth countries in Asia I had propounded to me everywhere the questions, what does democracy stand for, what is its meaning? We have not explained to the world yet in understandable terms, simple, direct and effective, what the meaning of freedom is to us. To a large extent the interpretation of freedom throughout the world has been left to the communists to define and to outline. Indeed its definition has become almost the exclusive monopoly of those who do not believe in freedom.

I was persuaded, and I still am, that there is a compelling need for the western world to restate and redefine its principles, its ideals, and purposes, to the end that the world may understand. Everywhere today that interpretation is based on what the communists, aggressively operating to enthrall and control the hearts of men, define it to be. Indeed, as far as free enterprise is concerned, a principle upon which our country stands, the definition in the back areas of countries within the commonwealth is the definition of the action of the moneylenders who two or three generations ago made an advance to an ancestor of a person now living there and that person still bears the responsibility of repaying a debt which ought to have been long since discharged by death. In other words, we need something to define the things in which we believe.

The reason that the United States did not have a bill of rights in its declaration of independence was simply that it was not believed to be necessary and yet when the declaration of independence came before the several legislatures of the 13 colonies one after the other they demanded that the

rights going back to the days of the Mayflower declaration must be embodied within the constitution of the United States. Today we find that some 20 or more countries, believing in freedom as they do, have found it necessary to have a bill of rights. Ireland is an example; India is an example, and so I might proceed. So, sir, through the crucible of discussion we achieve something tangible.

Let me say a word regarding the special committee. I believe that more and more; if parliament is to discharge its responsibilities, we must give to committees for discussion matters such as the one which was given to this committee. The hon. member for Essex East has pointed out how effectively and how diligently the committee operated, how out of a community of counsel have been brought about changes which I would be the first to admit are beneficial. That is why the bill was submitted to a committee, and as long as I am in this position, when committees are set up as I hope they will continue to be, it is my desire in the interests of sound parliamentary government that those committees shall operate untrammelled and uncontrolled and produce to the extent possible, having regard to divergencies in membership of such committees and the difference of viewpoint, the best and most effective conclusions of which they are capable.

This committee did so. I have read all the evidence and I commend it to the members of this committee. It was a striking committee made up of members of so many different racial origins. I was impressed this morning by the words of the hon. member for Humber-St. George's when he referred to himself as a new Canadian and having the feeling that those who came here from other lands or their forebears had toward freedom and what it means. Now he is in a different position. Newfoundland has had that freedom for several hundred years but as he spoke this morning one could not but be touched by his feeling that there was that unity of purpose in the committee, irrespective of race and creed, which brought about the improvements and changes, and while the basic essence of a bill of rights has in no way been changed the bill now comes before us in a form which, as the result of the contributions of so many, certainly epitomizes the purpose and aim of a bill of rights. I will go further and say that there has been added to it the effective viewpoint of the group of dedicated members who sat on that committee.

Speaking of the preamble, I may say that almost everyone has tried to draft one. I thought it would be impossible to draft a preamble which would be exclusively related to those things within the federal jurisdiction. I found it difficult to determine what the wording should be. However, paraphrasing the words of another, my idea of the preamble and what the bill of rights stands for could be summarized in these words:

"On these great truths we stand, and pledge by heart and under law, that God makes all men free in human dignity, whatever their colour, race or creed, to worship and to live, each equal with his neighbour; to speak his mind out clear, without reproach or fear; to tread where heroes for generations have trod, in freedom under God; on these eternal truths we pledge, by heart and under law, to keep these truths true; with all our strength to strive, and keep these truths alive".

This represents, to me, the endeavour that was made by members of this committee. The hon. member who was chairman of the committee, the hon. member for Essex West, went back 14 years to produce my suggestions in those days, and all of them are embodied in the bill of rights today. We are united now in our view that a bill of rights is necessary.

We now come to the question as to whether it is sufficient to have a statute, having regard to the constitutional difficulties which were portrayed this morning by the hon. member for Humber-St. George's. I read the evidence, and I think a summary of it is this: That a bill of rights is necessary, the experience of the past has shown that for the future; second, that as an interim measure this will be a forward step until that day when a constitutional bill of rights will be possible by agreement with the provinces. Third, as Professor Lower has pointed out, nearly every state has made some kind of formal statement of its belief in freedom sooner or later. Professor Cohen stated the need for a restatement of that which is strong in English law. He suggested the strengthening of the provision with respect to discrimination, and I welcome the wording that the committee has brought forth in this connection. He pointed out that a major policy statement on freedom is a good course to follow; that it is creative to have laws against discrimination.

I want to say this to you, Mr. Chairman. Only two years or so ago the council of churches met in Switzerland and came to the conclusion unanimously that there was nothing more beneficial to communism than the failure, anywhere in the free world, to assure equality of opportunity in the use of or in the entry into hotels, restaurants, theatres and the like. In other words, the inscription over some places which we see sometimes in our country "Patronage restricted" gives the most serious thought to those who endeavour to uphold freedom. It is a denial of the principles of freedom and

an encouragement to the communists to point out that, while we, the Christian nations, aver our belief in freedom and the brotherhood of man, we fail to practise it. However, the defence to that kind of situation will not be covered by this bill of rights because it falls within the jurisdiction of the provinces.

Professor Cohen went on to say that it will reintroduce the ideas of natural justice. He pointed out also one matter that has been referred to on a number of occasions, and that is the necessity for action being taken under the War Measures Act while we are in the days of peace, which we hope will never end. This statute went on the law books in 1914 and stayed on the law books during the period between wars. As I said recently when speaking about it. I hope the house at the next session of parliament will agree to set up a committee for the purpose of studying its principles and removing from it those features which constitute a denial of the rights of the individual without endangering the security of the state.

Now, sir, on going through the evidence I find that there is a general desire to have a constitutional amendment. I have made it quite clear that when and if, as a result of agreement amongst the provinces, Canada can in Canada amend its own constitution, then I would hope that the first step in the amendment of that constitution would be the preservation of our freedoms nationally in a bill of rights effective nationally and with the agreement of the provinces, without in any way interfering with those basic rights which were alluded to today by the hon. member for Bellechasse. There are going to be difficulties. It is not as simple as some say it is going to be. There have been several meetings over the years, and the last was in 1950. It is so easy to say we agree that something should be done, but it is not so easy to determine how to do that something in a manner that will be acceptable to the provinces of Canada. On January 12, 1950 the conference received the report of the committee of the attorneys general, that is the constitutional conference of the federal and provincial governments. The report contained eight resolutions which were recommended to the conference.

First of all, it recommended a grouping of the provisions of the British North America Act under six headings.

(1) Provisions which concern parliament only. In respect of this group amendment is made and shall be made by an act of the parliament of Canada.

(2) Provisions which concern the provincial legislatures only. In respect of this group amendment shall be made by an act of the provincial legislatures.

(3) Provisions which concern parliament and one or more but not all of the provincial legislatures. It was recommended that in respect of this group an act of the parliament of Canada and an act of the legislature of each of the provinces affected should be the basis of amendment.

(4) Provisions which concern parliament and all of the provincial legislatures. It was recommended in this regard that amendment should be made by an act of the parliament of Canada and acts of such majority of the legislatures and upon such additional conditions, if any, as may be decided upon. We begin to realize, Mr. Chairman, what the difficulties are when we read this last mentioned provision. There is a large field for discussion contained in those latter words.

(5) Provisions concerning fundamental rights and the amendment of the amending procedures. In respect of this group it was suggested that provision be made for amendment by an act of the parliament of Canada and acts of the legislatures of all the provinces.

(6) Provisions that should be repealed. There are a number of provisions in the British North America Act that in the passage of years find themselves in this category. The recommendation was that amendment procedure might be initiated by one or more of the provincial legislatures or by the parliament of Canada.

On the basis of the recommendations of the committee of attorneys general in 1950 the difficulties are underlined and most apparent. However, I must say that I was encouraged by the attitude expressed by a number of the premiers there. I recall very well that in 1946 Mr. Lesage, a member of parliament at that time, did not view with favour a bill of rights and made his contribution at the time. However, with the changing events of the years—after all, that is the basis of all progress—we now find him in the position of advancing the idea that we may have a national bill of rights. And I repeat that that viewpoint of today has to be commended.

Mr. Chairman, I think I have covered the various matters which have been dealt with here. I am not going to repeat any of the discussions of the past except those which become absolutely necessary. I simply say that this attitude of mine is not the result of the prodding by any of the provinces. It is the culmination of a national demand

which in consequence of changing public opinion through the years now places various legislators in our country in a position where in keeping with the views of today they have discarded the views of yesterday.

I will say no more excepting once more to say of this committee that great responsibilities were placed on its membership. They, in keeping with the finest traditions of parliament, entered into the spirit of discharging that heavy responsibility and have brought back to us the result of their thinking, based on the evidence before them and their own viewpoint, without in any way changing the essence of the bill of rights which was placed in their trust for further consideration.

Mr. Argue: Mr. Chairman, some of the witnesses before the committee made the point that there should be some inclusion in this legislation of economic rights, and I would think that clause 1 is an appropriate place to enunciate such economic rights. It seems to me that there should be stated in a bill of rights that an individual has the right of employment.

It may be said that it is difficult to enforce economic rights, that it is difficult to make provision for them. Nevertheless, as our society develops, I think it becomes more and more clear that it is essential that we set forth certain basic economic rights for our citizens. I think that would include the right of employment, the right to have a job if one is willing to work. That kind of a right is not available to Canadians at this time.

Mr. Lambert: Does this include the right to work, and under what conditions?

Mr. Argue: I was just about to come to that. The hon. member can argue that point, but before the committee an endeavour was made at various times to have clauses amended in order to set forth certain basic rights. I think the hon. member's observation has a particular connotation and what I have in mind is the right of an individual to a job, an opportunity to work if he wishes to.

This whole measure is one which sets forth certain principles, and we hope those principles will be applied in a fair manner in the future. But they should not be confined, in our opinion, to merely the general rights set forth in this measure. Therefore I would like to move:

That clause 1 of the bill be amended by adding after the word "liberty" in line 1 of subparagraph (a) the following words "employment at a fair and equitable remuneration".

[Mr. Diefenbaker.]

The purpose of this amendment would be to place in the bill of rights the declaration that Canadians should have the right to employment at fair and equal remuneration, that there should be no discrimination attached to remuneration and that remuneration from employment should be at fair rates.

The government is going to argue against this proposal. We would expect them to do that. I expect that this kind of proposal will meet with great resistance, but I am just as convinced that though it may receive opposition today, in the years to come we shall place in a bill of rights of this country certain basic economic freedoms. The way to bring that day nearer is to start now promoting certain basic concepts of economic rights and therefore it is my pleasure to move this amendment.

Mr. Martin (Essex East): I rise primarily for direction. I thought we were still on the general discussion. Maybe we still are.

An hon. Member: On clause 1.

Mr. Martin (Essex East): Yes, but there is usually a general discussion on clause 1. I may tell the hon. member for Assiniboia right away that I fully support this amendment though I believe it does not come in the proper place. But the first thing, Mr. Chairman, is whether we are still on the general discussion and if so whether on the general discussion it is open to us to propose amendments.

Mr. Argue: Oh.

Mr. Martin (Essex East): The hon. member says "oh". I wish it were as easy as that.

The Chairman: I understand the practice has been to permit general discussion on clause 1 but I do not think the practice has been to make a complete distinction between having a general discussion and moving amendments if hon. members wish to move amendments. Once an amendment has been moved I think discussion should be confirmed to that amendment until the matter has been disposed of but, afterward, other general remarks can be made.

Mr. Martin (Essex East): In other words, Mr. Chairman, you are saying that your interpretation of our procedure is that while we are on the general discussion it is open to an hon. member to move an amendment to a particular clause, providing that there may be more general discussion later if hon. members wish. I do not object to that. I just wanted to understand the situation clearly. I had always understood that at this point there was a general discussion, and that when that general discussion was over the

chairman so indicated. Then we would be ready to consider the clauses as such. But I have no objection to this procedure.

Mr. Argue: Then why this intervention?

Mr. Martin (Essex East): You will see. We have some views about the inadequacy of clause 2. We wanted to do it now but we—

Mr. Argue: But we were first.

Mr. Martin (Essex East): The hon. member says he was first. If he was a member of the committee he did not attend many of the meetings of that committee. As the hon. member for Charlotte pointed out, the amendments introduced by the Liberal party on this and other social points were in advance of his own. Perhaps the hon. member was not aware of that, or perhaps he became aware of it after he had read the evidence of the committee.

Mr. Argue: Do not be so tender.

Mr. Martin (Essex East): I am not being tender. I am being forthright.

I am commenting, now, on the amendment and I am indicating that we support this particular amendment though I suggest there is a more appropriate place for it in a subsequent clause as I shall indicate later on. But I want the members of the committee to know, as I said in my statement in chief, and as the Leader of the Opposition indicated, that when we are talking about human rights and fundamental freedoms we must take into account the character of our times. The basic human rights and fundamental freedoms which are generally referred to as absolutes in clause 1 of the bill are that kind of rights and freedoms which have been recognized for centuries and incorporated in charters of rights and notably emphasized in legislation in the nineteenth century.

But we in this party, as the Leader of the Opposition has pointed out, recognize that political liberty, freedom of the press, freedom of assembly, valuable and essential though they are, are only part of the kind of concepts in the field of human rights that must now be recognized. I would think, as Franklin Roosevelt said, as Mackenzie King said, and as the Leader of the Opposition has so often said, that in this twentieth century when we have subscribed to the declaration on human rights, as this country did in 1948, along with some 80 nations, and when that declaration deals not only with political and legal liberties but, as well, with social and economic objectives, there is no reason why in a bill of rights when we are declaring what those rights are, we should not deal with matters that touch the economic and social welfare of the mass of the people of this country.

Mr. Diefenbaker: May I ask the hon. member a question? He has mentioned the declaration of human rights, the international declaration of 1948. Why was that never submitted to parliament? Was not the explanation given that it contained reference to economic rights which were within the jurisdiction of the provinces? Was that not the answer?

Mr. Martin (Essex East): The Prime Minister, I am sure, does not intend to create a red herring—

Mr. Diefenbaker: No, I am just asking a question.

Mr. Martin (Essex East): I am saying that in asking that question I am sure the Prime Minister does not wish to introduce a red herring into this discussion. The fact is that the declaration on human rights, the subject of discussion in the United Nations for almost ten years, was a result of contributions made by many people, and in Canada the Canadian contribution was made under the direction and under the policy of the Leader of the Opposition who happened at that time to be in charge of matters having to do with external policy, including the United Nations. But since the right hon. gentleman has asked me a question, let me ask him one in this context.

Mr. Diefenbaker: After you have answered mine.

Mr. Martin (Essex East): I have answered your question.

An hon. Member: Oh.

Mr. Martin (Essex East): There was nothing to prevent the right hon. gentleman rising in his place at any time during the period when he was so feverish about these rights and making a motion—a supply motion—or resorting to any of the procedures which are open to ingenious members of parliament, than whom there are few more ingenious than the right hon. gentleman. But advantage was not taken of that. My own comment is not valuable, but perhaps neither comment is valuable, though the Prime Minister put forward the most invaluable comment. But I am sure the Prime Minister cannot fail to recognize the value of the concept employed in this particular method.

It may be said that equitable remuneration is a matter which involves property and civil rights. That cannot be sensibly argued, because we clearly envisage in this bill that we shall only touch those matters which come within the competence of the federal parliament, though we do not use that precise language. But there is no reason why we cannot have minimum wage legislation in the

federal parliament. The Prime Minister looks at me with wonderment. I repeat that there is no reason why we in the federal parliament cannot provide a basic minimum wage for those people who work in those areas that come within the competence of the federal parliament. That is what I said and it is not something that should occasion the surprise which the Prime Minister manifests.

We support this particular amendment. We suggest it has been put in the wrong section but to give an indication of our intention I make this declaration now. I would ask hon. members to consider the initiative taken by the hon. member for Fort William, the initiative taken by the hon. member for Humber-St. George's, the initiative taken by the hon. member for Maisonneuve-Rosemont, and if I may refer to it the initiative taken by the modest and quiet hon. member for Essex East.

Mr. Howard: Mr. Chairman, I am surprised at the remarks of the hon. member for Essex East in his complaint that it was not proper to move an amendment on clause 1 at this time when he thought a general discussion was still in progress. For the sake of comparison let me point out to him that during the extensive discussion on clause 1 of the combines bill one of the hon. member's colleagues, the hon. member for Ottawa West, jumped in and moved an amendment just as was done now. For the sake of consistency the hon. gentleman should not complain in this instance as was indicated by the hon. member for Assiniboia.

During the course of the remarks of the hon. member for Assiniboia some hon. members raised questions by way of interjection. I may not be correct in my conclusion and if I am not I should like to be corrected, but I concluded that when reference was made to the rights of employees hon. gentlemen were thinking in terms of the so-called right to work laws existing in some of the states of the United States and which have been advocated in some reactionary quarters in Canada. I do not know if that is what was in the minds of hon. gentlemen who posed questions.

I believe I would be in order to express my thoughts about how the rights of individual workmen have been abrogated by certain types of union security clauses in collective agreements. I feel I am in order in doing so because of the nature of this clause and the amendment moved thereto. Some of these types of union security clauses abrogate the rights of the individual. As far as provincial jurisdiction is concerned those rights will continue to be abrogated. If the amendment becomes law I do not know what will be the effect on agreements under federal jurisdiction. Since discussion of the bill of rights has been a lawyer's paradise I would not venture to guess what the effect on these contracts would be although I think it would have some.

There are a number of different union security provisions. In general terms they range from the closed shop which is a system demanding that an individual belong to a union before he is able to gain employment in the industry or firm with which the union has the agreement. The next is the union shop agreement which provides that an employer can hire whoever he wishes but the new employee must become a member of the union within a certain period of time varying with the contract. Next down the scale is the so-called Rand formula developed by Mr. Justice Rand, I believe in the automobile industry strike in 1946 or 1947. In general it indicates that all employees of an employer while they need not join a union in a certain period following the commencement of their employment are nevertheless required to pay an amount equal to union dues. The next in order of desirability on the part of union negotiators is the maintenance of membership principle under which if a man joins a union he must maintain membership in it during the life of the contract. At the bottom of the scale is the so-called open shop arrangement in which there is no provision whatever contained in the collective agreement regarding membership in the union. Under this system we sometimes have voluntary revocable check-off which is a deduction of union dues which the employer makes and sends to the union.

Some of these types of union security abrogate the rights of the individual and the operation and enforcement of some other types do the same thing. I will enumerate those types and the objection to them I have. I do not think the objectionable ones are beneficial to anyone. Before outlining the reasoning behind why they became part of union-management negotiations may I call it five o'clock. I understand there will be a brief discussion and then we will return to this item of business.

The Chairman: Order. It being five o'clock it is my duty pursuant to section 3 of standing order 15 to leave the chair in order to permit the house to proceed to the consideration of private and public bills.

Progress reported.

PRIVATE BILLS

MOTION FOR REFERENCE OF BILL NO. SD-34 TO STANDING COMMITTEE

Mr. R. J. McCleave (Halifax): Mr. Speaker, I think it is the agreement of all the parties

that we consider very shortly the bill interrupted a few moments ago. Perhaps the house would bear with me for two and a half minutes on two matters since I do have an interest in an Everestian pile of legislation on my shoulders. The first request I would make of the house is that I be permitted to revert to motions.

Mr. Speaker: Has the hon. member for Halifax leave to revert to motions?

Some hon. Members: Agreed.

Mr. McCleave: Mr. Speaker, I move, seconded by the hon. member for Kent (Ont.) (Mr. Danforth):

That the order for house again in committee of the whole on Bill No. SD-34, an act for the relief of Helen Frances Estelle Kearney Freeman be discharged and that the said bill be referred back to the standing committee on miscellaneous private bills together with the evidence taken and the papers produced in respect of the said bill before the Senate standing committee on divorce and the affidavit of the respondent dated July 31, 1960 submitted to the chairman of the said commons committee on August 2.

May I speak briefly on the motion, perhaps to explain to those members who are curious. The affidavit in the substantive part says that the respondent was living with the petitioner during the period detailed in the evidence.

Motion agreed to.

TIME LIMIT ON BRINGING OF COMPLAINT

Mr. R. J. McCleave (Halifax): The second matter I wish to bring up is to make a very short statement to put an end to certain uncertainties that have developed in the handling of divorce cases. It is recommended that anybody who wishes to delve into these cases should bring his or her affidavit or complaint before us not later than mid-afternoon on Friday.

Mr. Speaker: Is it the intention of the house to go into committee of the whole on these divorce bills?

Mr. McCleave: No, Mr. Speaker, I think it is agreeable to all parties that the divorce cases stand adjourned until Friday and we revert to the bill of rights.

CONSOLIDATION OF DIVORCE BILLS IN ONE MOTION

Mr. Speaker: Before the house reverts to the business which was interrupted at five o'clock, I suggest that items numbered 2 to 7 standing in this section of the order paper be consolidated with the other divorce bills already before the house so as to tidy up the order paper for private bills.

Some hon. Members: Agreed.

Mr. Speaker: Then, items numbered 2 to 7, inclusive, will be referred in one motion to the committee of the whole with the divorce bills already before the committee of the whole.

Does the house give unanimous consent to waive the remainder of the hour for private bills?

Some hon. Members: Agreed.

Mr. Speaker: The house will then revert to the business which was interrupted at five o'clock.

HUMAN RIGHTS

MEASURE PROVIDING FOR RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The house resumed consideration in committee of Bill No. C-79, to provide for the recognition and protection of human rights and fundamental freedoms—Mr. Diefenbaker.—Mr. Flynn in the chair.

On clause 1—*Recognition and declaration of rights and freedoms.*

Mr. Howard: Mr. Chairman, I desire to look briefly at the historical development of unions and the reasons for these types of union security provisions. I think we will all agree without hesitation that in the early days, before any extensive union organization was even thought of, an employee in many instances could be and in many instances was summarily fired from his employment without reason, but especially if the individual had any interest in or had shown any interest in or took any active part in the organization of any union. Many of the people in the industry who undertook to participate in union organization were in effect blacklisted. I am not too sure whether some of these black lists do not still exist today. A blacklist was a circularization of a man's name among employers, particularly employers in the same industry, that that individual was on the blacklist for union activities. When that took place his possibilities of getting employment anywhere in that industry were practically hopeless. I appreciate, Mr. Chairman, that you are wondering as to the relevancy of this to the amendment but it deals with employment.

I am giving a short background as to how we got union security provisions in the collective agreements and how these might abrogate the rights of certain individuals. Unions, therefore, thought that their members required some protection and came to the conclusion that if they had the right to control the hiring of employees then they

would overcome this blacklisting. Consequently, out of that arose the closed shop. All this did in some instances was to substitute the action of the union to discriminate against the individual for what was formerly the activity of the employer in discriminating against the individual, for this, and other reasons, and, I have absolutely no use for closed shop provisions where the control of hiring is in the hands of a union agent, and where the same sort of discrimination can be practised as was practised before by the employer but for different reasons. This I think is an abrogation of an individual's right to employment.

There are certain other types of union security provisions under which a person's employment is in jeopardy. If he forgos his membership in a union under certain circumstances; under the union shop provision, for argument's sake, the union itself may have the right under its constitution to remove the person's union membership from him for a variety of reasons, some of which may not be very sound; but in the process of removing that individual's union membership they also remove his right to employment if his right to employment is tied to union membership. Under certain circumstances where the union takes the initiative in removing and cancelling a person's membership I do not think it should by subsequent action, in fact, have his employment terminated accordingly.

We in the I.W.A. have a provision which says that anyone who is a member of the communist, fascist or nazi parties may not belong to our union, and that if a person who is such a member does belong to the union and this is subsequently discovered his membership can be cancelled. If this occurs and if, for argument's sake, the union has a provision, which it has a perfect right to have, to restrict membership to people with certain ideas, and they subsequently discover that there is a member in their union who is also a member of the communist party, and if action is taken within the union to cancel his membership, it should not automatically follow that he loses his employment thereby. We have enshrined this provision in our constitutional structure, in the union shop provision, and I had an active participation in it a few years ago, to the point where we indicated that this would not interfere with a person's right to employment, nor do I think it should.

We could get involved, of course, in a number of variations and different applications and that sort of thing, but I thought it would be well to express these views at this time not only because I believe in these things, as I have said a number of times before, but when the hon. member for Assiniboia moved his amendment and got certain queries from hon. members opposite as to what he was getting at. Without embarking into another field, on the so-called right to work laws, which I have no use for either, I think they are being misconstrued for something which they are not. I think if unions and management take the approach that I have suggested with respect to that which I have just enunciated in brief form, I think there will be no reason to advocate so-called right to work laws.

Mr. Martin (Essex East): I question the procedure. May we have an understanding? We are on clause 1, and an amendment has been moved to paragraph (a), which has not yet been dealt with. Surely the practice should be to deal with clause 1 first, and then deal with paragraph (a); otherwise, we shall get into a most disorderly procedure. That is why I raised the question. When we are discussing clause 1, if anyone has any comment or any proposal to make that will be the time to make it. I do not object to the amendment; I am trying to establish the order of procedure. If we are to have a detailed discussion all through this bill I think we ought to proceed paragraph by paragraph.

Mr. Fulton: Could the question be put to the committee whether we have concluded the general discussion so that we can proceed with a detailed consideration of the clauses?

The Chairman: There is no strict rule about it.

Mr. Martin (Essex East): We do it by agreement.

The Chairman: If the committee wishes to decide to proceed along the lines suggested by the hon. member for Essex East, it is within its power to do so. Does the committee wish to proceed that way, that we decide first that the general discussion is over—

Mr. Martin (Essex East): We have decided that now.

The Chairman: —and, second, that we proceed by paragraphs in each clause?

Mr. Fulton: Agreed.

The Chairman: It is agreed that the general discussion is over and that we are now discussing the details of clause 1.

Mr. Martin (Essex East): Yes, we are now on the first paragraph and then we will deal with (a) afterwards.

Mr. Argue: But the amendment is clearly before the committee.

The Chairman: The amendment is clearly before the committee. However, for the sake of order, if we are to proceed as indicated I would suggest that the amendment stand until we get to subparagraph (a) unless there is no comment on the first paragraph of the clause.

Mr. Martin (Essex East): Yes, there is. I have a comment to make.

The Chairman: Is it agreeable that the amendment should stand until we have disposed of the first paragraph of clause 1?

Mr. Argue: Mr. Chairman, in discussion of clause 1 I have moved an amendment and the amendment is before the committee. The amendment being before the committee does not preclude the hon. member for Essex East from discussing anything in any part of clause 1, but at some point in the discussion of clause 1 Your Honour will put the question on the amendment. After the question has been put members will decide whether they wish to put further amendments before the committee with respect to this clause. I think we have been proceeding in an orderly manner.

Mr. Martin (Essex East): I do not think we have but I agree that the hon. member's amendment is before the committee. I suggest that we deal with it, then come back to the first paragraph, then deal with subparagraph (a), and proceed in the way I think we should have from the beginning.

The Chairman: Is it agreeable to the committee that we should proceed as indicated by the hon. member for Essex East? I recognize that the amendment is before the committee and I think the hon. member for Assiniboia is justified in asking that we dispose of the amendment before following the procedure indicated.

Mr. Martin (Essex East): That is agreeable.

Some hon. Members: Agreed.

The Chairman: Shall the amendment carry?

Mr. Fulton: In connection with the amendment itself, Mr. Chairman, it is not one that the government can accept for a variety of reasons. The first reason, of course, is that this is a reversion to the attempt made in the special committee to change the form of our bill of rights from a general bill of rights into a bill of particulars and, further, to transform it from a bill of rights dealing with political rights and individual freedoms in the generally accepted sense of those words into a charter of economic rights.

There is no use beating around the bush about this matter. We have stated and stated quite clearly that we did not make any attempt to make this a charter of economic rights, which would be an entirely separate sort of document dealing with an entirely different field from the field dealt with by a bill of rights. The time may come when that sort of charter should be introduced but that is not the attempt made here.

As I have said, we had in the special committee an attempt to change the bill of rights from a bill of rights into a bill of particulars. There were 22 separate amendments suggested mostly by members of the Liberal party, it is true. As I recall, the C.C.F. did not move a single amendment in the committee. I would point out that if those amendments had been adopted the subparagraphs would have gone up to (z) and we would have had to go back to (aa). As I said in the committee, I pity the school children who would be supposed to memorize a bill of rights when it was that kind of bill of particulars, which is not at all appropriate to the kind of document we are enacting. That is only one objection.

Another objection is that whatever the hon. member for Essex East or others may say about the proposed amendment, it does get us into the field of provincial jurisdiction. Whatever words you may put in the preamble indicating your intention to confine the bill to federal jurisdiction, it is, as I understand it, a law of interpretation that if, notwithstanding an expression of intent in a preamble, you introduce into that part of the bill that has legislative effect a provision which clearly goes beyond the intention expressed in the preamble then it is the section of the bill itself to which effect shall be given and not the words of the preamble.

Therefore, no matter how much we hedge it around by declarations of intent in a preamble, if in clause 1 or any of the other clauses of the bill we legislate on matters which are clearly within provincial competence the courts could not avoid saying that parliament intended to get into the provincial field and you would therefore likely have the result that the bill or part of the bill would be held to be ultra vires. We do not intend to legislate in the field of provincial competence for reasons which have been discussed exhaustively in the house and in the special committee, and for that reason in addition we cannot accept the amendment.

If anyone is in some doubt whether or not this is really a matter within provincial competence may I refer them and the hon. member for Essex East particularly to the opinion expressed by his leader on September 5, 1958 when, as Leader of the Opposition, he was discussing this sort of question in the house. At that time he was discussing the

applicability in Canada of the universal declaration of human rights, and he used these words as found on page 4648 of *Hansard*:

Mr. Pearson: Mr. Speaker, the declaration of human rights of the United Nations has been accepted by Canada.

Mr. Diefenbaker: No.

Mr. Pearson: Yes, I think I am right that the declaration has been accepted. If I am wrong I will be corrected. It took some years, but I think it eventually was accepted by Canada. In any event, our hesitation in respect of this declaration, and I know something about this, arose from the fact that it included matters that were strictly within provincial jurisdiction. Therefore it could not be accepted with propriety by the Canadian delegation without having all of the provinces accept at least those parts of it which entrenched on provincial jurisdiction, and that was not done by all the provinces.

The very sort of provision which in those remarks the Leader of the Opposition recognized as being within provincial jurisdiction is this sort of provision relating to the right to work the sort of provision contained in article 23 of the universal declaration which reads as follows:

23(1). Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.

That provision was sought to be inserted in the bill of rights by the hon. member for Essex East in the special committee. So, Mr. Chairman, it is obvious that this kind of provision, inevitably embracing as it does provincial jurisdictions, is not the kind of provision that we can insert into the federal, the Canadian bill of rights.

I think I have given sufficient reasons why it should not be inserted here. I indicated in the committee our reaction to this sort of proposal, that this sort of proposal is a statement of objectives. Certainly it is desirable that everybody should have the opportunity to work. We accept that as a statement of objective. We have accepted that by our agreement with the universal declaration of human rights as well as by other means, but this is a statement of objective to be implemented by other specific measures. That is why I say it is not part of a bill of rights which is a statement of basic human rights and fundamental freedoms. It is that kind of document and not a charter of specific economic privileges which would require to be followed up by specific enactments in the economic field in so far as we could do it within our jurisdiction.

Mr. Martin (Essex East): I think we might as well meet this argument head on, because the minister is repeating the technique used in the committee and undoubtedly will register his objection to any proposal of this character. First of all, on the question of the competence of parliament, my hon. friend says that if the amendment moved by the hon. member for Assiniboia were allowed to become integrated into clause 1 (a) it would be clear that the courts would rule this to be outside the competence of parliament notwithstanding the limitation in the preamble. I do not agree, first of all, with that statement because the preamble, under the rules of interpretation, may be used by the courts to determine the meaning of a section or of a word in a section.

If my hon. friend's argument had any validity, that validity would also have been present before there was any agreement by the administration to include a preamble in the bill, and when the bill was before us on second reading. There was no preamble at that time containing a phrase that suggested the limitation of federal competence under section 91. There was nothing in clause 2 that in any way limited the word "property" or the word "Canada". When we argued that the word "Canada" and the word "property" in section 2 were, as Mr. Louis Philippe Pigeon stated, a violation of provincial powers, the Minister of Justice and the Prime Minister argued to the contrary. I clearly stated in the house and in the committee that there was no doubt as to what the intention of the Prime Minister was. He intended the clause to touch on those matters that came within the jurisdiction of the federal parliament. I did state that the courts would not interpret what we said in this house, they would look at the wording of the bill. Notwithstanding that my hon. friend, when there was no preamble, when there was no thought of limitation on the words, argued that the words in the form in which they were presented did not lend themselves to the construction which he kept putting forward. Now my hon. friend cannot have both positions taken in different contexts.

I say to him that, assuming there was validity in what he said, and I do not agree that there was, and assuming that this limitation of powers has got to be in an operative part of the bill, we could put in an operative part of the bill, right in this clause, a clear indication that what is proposed in this amendment relates only to what is within the competence of the federal parliament. There could be no doubt about that. I would suggest that could be done, if it is necessary. I do not believe it will have to be done because the courts will look at the intention stated in the preamble, and particularly the French text which is unambiguous.

The second point that my hon. friend has met headlong is one we are going to have

to meet, of course, in the future with regard to another proposal which the Leader of the Opposition has in mind in another context. My hon. friend says this is a declaration of rights, and what is proposed in the amendment by the hon. member for Assiniboia is a bill of particulars.

Mr. Fulton: It is the first step.

Mr. Martin (Essex East): Yes, it is the first step. I must say that I cannot follow that argument because if my hon. friend will look through his bill he will find there are many particulars. What about the particular which my hon. friend accepted in connection with reasonable bail, is that not a particular?

Mr. Small: It is already in there.

Mr. Martin (Essex East): It was not in there until it was suggested by a Liberal member of the committee.

Mr. Small: It is already in there.

Mr. Martin (Essex East): I suggest my friend confine himself to the committee on industrial relations. I do not want to be unkind to the hon. member for Danforth.

Mr. Small: It is already in there.

Mr. Martin (Essex East): I agree with him, that it is in the English bill of rights. It is also in the act of settlement and in the habeas corpus acts; that is what we have been arguing about all week. Where has my hon. friend been? What about the right to counsel in the sense referred to in clause 2 (d)? There are a lot of particulars in this bill. Then how about the absolutes provided in clause 1, paragraphs (c), (d), (e) and (f)? I refer to the freedom of religion, speech, assembly and the press; those are absolutes. I will admit that the amendment puts forward a particular, but what is wrong with that? My hon. friend did not raise that argument when we were arguing in committee about clause 2 (b) with reference to the imposition of torture, cruel, inhuman or degrading punishment. Those were particulars.

My hon. friend took the position at that time that notwithstanding that the concern of the particular amendment now before the committee was the same as the one in (b), namely a declaration of human rights, he could not delete the words which had been suggested by the hon. member for Vancouver-Kingsway, "cruel and inhuman". He said the government could not put itself in that position because those words "cruel, inhuman and degrading" were taken right from the declaration on human rights. This amendment put forward by the hon. member for Assiniboia is taken from the declaration on human rights, but that does not make it less valuable than when my hon. friend was prepared to accept that source. I suggest that this discussion will prevent the repetition of the argument later on by my hon. friend, and I suggest it is an amendment which, although I would sooner see it in the appropriate place in the bill, is one that commends itself to us and should be accepted by the government.

Mr. Fulton: The statements of my hon. friend are, I am afraid, so erroneous that I cannot allow them to go without reply, especially if this question is going to arise again. I should like to establish it on a proper basis, and not on the erroneous basis on which the hon. member for Essex East has just left it. With respect to this matter of federal competence, I said that I did not think there was any need for a preamble saying that we were only legislating within the field of federal competence because I said we have drafted a bill in connection with matters only within the federal competence. We had been careful in the drafting of this bill not to get out of the field of federal competence and into the field of provincial authority. I suggested, therefore, that I did not believe a preamble was necessary from that point of view, but if my hon. friends were more impressed by the opinion of those who appeared before the committee then, in order to remove any element of uncertainty in the bill, I would say put in a preamble which makes it clear we are legislating only within the federal competence. I said this would not do any harm, and might be desirable. I did not believe the preamble was necessary in order to make it clear we were legislating in the federal field.

Mr. Martin (Essex East): No, I agree.

Mr. Fulton: That is what my hon. friend was saying I had said. Notwithstanding that we have a preamble containing the clearest expression of intention, which I think we have, and notwithstanding that we are enlarging the bill of rights as now drawn to include subjects which are within provincial competence, then it does not matter what we said in the preamble, the courts will look at the statute we have enacted and will have to deal with it on that basis. I say again that in the bill of rights as we drafted it and as it came out of the committee there is nothing in the legislative portions which steps outside the field of federal competence.

With regard to property there is no question that there are aspects of property within federal competence. Not all property rights are reserved to the provinces under section 92. Section 92 makes it clear that the only property rights within the jurisdiction of the

provinces are exactly those. Section 13 gives to the provinces jurisdiction over property and civil rights in the provinces. So that makes it quite clear, if further clarity were necessary, that in respect of those heads under section 91 which have any aspect of property connected with them, property in those aspects is within the federal field of competence.

Therefore it is appropriate for us to use words in the bill of rights, as we did, referring to the "enjoyment of property". Any property rights contained in the bill as it came out of the committee would be interpreted by the courts as matters coming within the federal field of jurisdiction, and I think the preamble makes clear our intention. If we accepted what the opposition invited us to insert into the bill we would be in many cases putting in matters within provincial jurisdiction, and we would have a bill of rights not confined to the federal field at all. The question of employment is a field within the provincial jurisdiction. I would say at once without fear of contradiction that it is a field within provincial jurisdiction far more than within federal jurisdiction, that it cannot be accepted by this parliament, and that this government, with its respect for the constitution, is not prepared to accept it.

Mr. Argue: Mr. Chairman, we have heard a number of objections by the Minister of Justice and I do not think any one of them will really stand up. First of all he said that he did not want this to be a bill of particulars. As has already been stated by the hon. member for Essex East, in many ways this is a bill of particulars.

Mr. Fulton: No. It is in the tradition of bills of rights as they have always existed.

Mr. Argue: In the tradition of bills of rights as the minister interprets the tradition. I say there are many particulars in this bill, and there should also be in it a declaration that a Canadian citizen has the right to employment at a fair and equitable remuneration.

The minister also said that the Canadian government has rejected any inclusion of economic rights, but surely the right to property is an economic right and this economic right is in the bill. Is it any more an economic right to be protected in your right to the enjoyment of property than to have the opportunity to earn a living?

This bill, of course, does not include economic rights because the Tory party does not want it to include economic rights. If the Tory party wanted it to include economic rights, the government would put the same in the bill. It is perfectly all right and we are perfectly in agreement, as we have said, to have all the present rights enunciated, but a person should have something in this bill other than the right to starve, other than the right to malnutrition, other than the right to exist in Canada without an income. Surely it is not too much to say that in 1960 we should have in a Canadian bill of rights the declaration that a person should have the right to employment. The government of course would be in contempt of this bill of rights if this were there, because half a million Canadians could prove that the bill of rights did not apply to them, at least until such time as the government had taken further action.

I think the minister now raises excuses that even he must know are not very substantial. He said you will get too many lettered paragraphs in this clause. We might have to go up to the letter "z" and then look at the poor school children he said who study the bill. Is this a valid reason on which to found an argument to exclude a section which says that Canadians should have the right to employment at a fair and reasonable remuneration?

My understanding of the bill of rights in the main as far as school children are concerned is that we should put a preamble in the bill which would be in picturesque and imaginative language and that it was the preamble which would hang in the schools, and that the school children would probably study that part of the bill of rights and not the bill of rights in all its detail. Even if we made it slightly more difficult for students because we added another clause, surely that is no reason to set aside the proposition that it is time in this country that we said people should have the right to employment at a fair and equitable remuneration.

The minister said that if this were put in the bill the courts would declare it ultra vires. He has said that it is all right to have enjoyment of property in the bill, though he does not say this is exclusively a federal jurisdiction. No one will say that the question of fair and equitable remuneration is entirely a federal jurisdiction; but also no one will surely say that the federal government has not some authority, some responsibility, in the field of employment.

Mr. Chairman, we put this forward because we think it would strengthen the bill of rights. We think the bill of rights without any economic provision will allow many people who have no visible means of support because they have no jobs to go on in this condition without the federal government going at least so far as to set forth in the bill of

rights that Canadians should have the right to employment at a fair and equitable remuneration.

Even if the government should vote down this amendment, that does not kill the idea. In my view it is just as essential to have economic rights as it is to have other rights. The two go together; they are inseparable. We feel that economic rights can best be achieved when we have protection as defined in this bill; but we suggest that this bill is not complete and that it should be made more complete by the inclusion of such an amendment.

Mr. Fulton: The hon. member unfortunately was not in the committee at the time but he really seeks now to revive a discussion which was carried on at great length, where the matter was discussed calmly, sensibly and friendly, which features I regret to say have not characterized the discussion of the question here. The hon. member has tried here merely to make a political, tub thumping argument in the hope that he will dragoon the members of the majority to vote for something which is necessary, but we are not going to be dragooned in that way, and for the reasons I have given.

I will not be able to convince the hon. member, but if I cannot convince him, he might be more open to conviction by consulting the terms of the bill of rights in Saskatchewan, his own province, where he will not find a right to work clause. All you have with respect to employment is a non-discrimination clause. But clauses 8 and 9 of the Saskatchewan bill of rights do not purport to confer the right to work. That was introduced by a C.C.F. government. On what reasons they concluded that it would be unsound to include a similar provision I do not know, but they obviously came to that conclusion because they did not put it in. Therefore I think that demonstrates the sincerity of the political appeal made by the hon. member for Assiniboia.

Mr. Browne (Vancouver-Kings): It is certainly clear that this proposed amendment would be entirely beyond the powers of the federal government. That is plain to everybody; but I think, nevertheless, we should consider some of the implications of the suggested amendment. It suggested that the government should, I presume, have the responsibility of providing everybody with employment and if that is to be the case I take it it must have the right to direct people to employment. That would mean the elimination of trade unions because if a man did not want to belong to a trade union that would not prevent him having the right to be employed. As to rates of pay, I presume it would be the government which would have to set what the amendment calls "reasonable rates of pay". We would be in some sort of police state where we would be directed through every step of our lives by the government. The hon. member for Assiniboia might like this, but I would never support any argument leading to a situation such as that.

Mr. Argue: I do not think the minister has helped his own argument at all by the wild and abusive language he has used, such words as "tub thumping", "not intelligent" and so on. This is not the kind of language which is ordinarily used by a careful, methodical minister of justice. However, the hon. gentleman took off on this subject and I must say I enjoyed it very much, though I do not think it helped his own argument to get himself into that position.

Some hon. Members: Question.

Mr. Argue: If these intolerant and noisy trained seals surrounding the minister—

Mr. Fulton: Who is being carried away now?

Mr. Argue: —would restrain themselves for a while—this is very moderate language compared with the language which the hon. gentleman used when he was on this side of the house and faced with such noise and obstruction. In fact, a colleague of his got himself draped in a flag—

The Chairman: Order.

Mr. Argue: —because of the intolerance of the great majority in those days, and apparently those conditions have been continued even though the administration has changed.

The Chairman: Order.

An hon. Member: You have been challenged.

Mr. Argue: Oh, I have been challenged plenty; I have been challenged all afternoon, and I enjoy it; I hope it continues.

Mr. Grafftey: Good for your martyr complex.

Mr. Argue: I am not asking for any quarter. The minister and hon. members can use any language they see fit within the rules.

Mr. Fulton: Do you think they can hear you out in Regina, next week?

Mr. Argue: I thank the minister for what I think was something of an indirect compliment. It is not often that the third party in this country can create so much interest in the minds of the Prime Minister and the Minister of Justice.

An hon. Member: What third party?

Mr. Argue: I see the Prime Minister has other things to do than to sit in this chamber at the moment.

The Minister of Justice said that out in Saskatchewan where the government presented a bill of rights as long ago as 1947, some 13 years ahead of this parliament, there was no provision in it such as the one advanced by this group at this time. I think a clause of that type is not in that bill for a very good reason. The government of Saskatchewan like, I think, those of most provinces has taken the position that it is impossible for a provincial government to solve the whole economic question of widespread unemployment in this country—

Some hon. Members: Order.

Mr. Argue: —and that the question of unemployment must be something within the responsibility of the federal government. This federal government is trying to get away from that. Someone said it would be a police state if everybody had a chance to work. That, of course, is the attitude of the Tory party—a man should be free to be unemployed; he should be free not to have an income.

Mr. MacInnis: Would the hon. member mind explaining to the committee just what effect his amendment would have on the right to strike which is embodied in union constitutions?

Mr. Argue: It would not affect it in any way in my opinion, but it would declare to the half million Canadians who are unemployed that in the opinion of the parliament of this country they should have the opportunity to work, an opportunity to employment at a fair and equitable remuneration.

I can appreciate the great interest that this amendment is creating in this committee. I hope we shall get something more from the government than this type of loose abuse.

Mr. Browne (St. John's West): Would the hon. member permit a question? Would he explain what he means by the right to work as applied to a citizen, say, John Jones, in a small town in Newfoundland?

Mr. Argue: I may be able to do something to educate some of the members of this house but I think it is going too far to expect me to help the hon. gentleman who asked that question. This amendment is intended to amend the bill—

Mr. Browne (St. John's West): Would the hon. member answer my question? I will make it simpler for him. Would he explain what he means by the right to work.

[Mr. Argue.]

Mr. Argue: I was not using the term "right to work". This amendment would provide the right of the individual to life, liberty and employment at a fair and equitable rate of remuneration.

Mr. Browne (St. John's West): Does that not mean the right to employment?

Mr. Argue: If the people who are out of work today would like to work, as I am sure they would, this just means that the parliament of Canada says that the economy of this country would be so operated that job opportunities would be available. I cannot help it if the hon. member is unable to understand. I can appreciate that this government, like the R. B. Bennett government, is in office during a period of widespread unemployment and is doing nothing about it. I do not expect that this government is going to do anything about the widespread unemployment in Canada, much less declare within a bill of rights that people should have such an opportunity—

Mr. Browne (Vancouver-Kingsway): Those are the kind of rights they have under communist governments.

Mr. Argue: I do not take the attitude of the hon. member who says that along with freedom there should be the right of half a million people to walk the streets while the government does nothing.

Mr. Grafftey: The hon. member never said that. Be responsible.

Mr. Argue: That apparently is the attitude of the Tory party. I did not think they would take this attitude. I thought they would discuss in a quiet and reflective manner whether or not this is the type of provision that should be in the bill of rights and whether it would have strengthened the economic rights of the Canadian people. We think this is a good amendment and that the time has come when economic rights should be recognized in Canada. The day will come when this will be done and the sooner it is done the better.

Mr. Pearson: Mr. Chairman, the minister in respect of this amendment has taken a position which presumably will be applicable in principle at least to other amendments of this type. The hon. gentleman has indicated to us that he does not intend to be dragooned out of that position.

The position is twofold. There is the question of jurisdiction. We were assured and reassured about this bill even before it had a preamble that in respect of all the matters included in the bill it would be applicable only within the limits of federal jurisdiction. By his argument a few moments ago the

minister has thrown some doubt on the constitutional validity of the bill in that respect.

The other position taken by the minister is that this amendment and others like it will make the bill into a bill of particulars. As has already been pointed out, the bill already includes particulars. What the minister wants, apparently, is a bill of selected particulars. In respect of this particular amendment we will vote for it as an indication of our belief that no bill of political rights is sufficient unless there is a recognition of economic rights.

Amendment (Mr. Argue) negatived: Yeas, 17; nays, 61.

Mr. Martin (Essex East): Mr. Chairman, I should like to deal with paragraph 1 of clause 1. I wish to move seconded by—

Mr. Kucherepa: The hon. member for Assiniboia?

Mr. Martin (Essex East): —the hon. member for Maisonneuve-Rosemont:

That lines 18 to 22 inclusive be deleted and the following substituted therefor:

"These human rights and fundamental freedoms shall continue to exist in Canada without discrimination by reason of race, national origin, colour, religion or sex."

The Minister of Justice will not be unfamiliar with the context of this amendment. The hon. gentleman will recall that in the committee when he spoke generally on the bill before the clause by clause consideration he said that the words "it is hereby recognized and declared" had the effect of making it a legal enactment; it was not merely a declaration in mandatory form but was much more than that, it was a clear enactment in the full sense of the meaning of the words "statutory law". I suggest that there is at least doubt on that point. The evidence of Mr. Mundell at page 595 is very clear on this point. It is not necessary to traverse all that Mr. Mundell said but it is clear that in his judgment the phrase which the minister has used does not have the legal enactment effect which he proposes.

I shall come back to the legal argument in a moment when I have found Mr. Mundell's exact words but let me turn now to another argument. The minister said the intention was that there should be a cut-off in the bill for the purpose of impressing young people and the public generally, so that clauses 3, 4, 5 and 6 would not form part of the document that would hang on the walls of schools, churches and so on.

I suggest that apart from the legal argument the language of this particular portion containing the words "it is hereby recognized and declared" does not have the forthrightness and the appeal of the words contained in the amendment I have put forward. The language of the amendment is clear, simple and as concise in terms of legal procedure and effect as I think one could muster.

Mr. Chairman, may I call it six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Martin (Essex East): Mr. Chairman, before the dinner recess, I had been urging the minister to consider that the relative simplicity of the words suggested would meet the objective the government had in mind. The public relations aspect, to which I give full support, might be further advanced by the use of words as precise in their legal effect but less legal in form. The amendment seemed to meet that particular objective. It would certainly appeal more, I think, to children and non-legal people than the phrase "It is hereby recognized and declared".

But the argument, of course, must be stronger than that. The argument is based on the minister's statement that the clause as drawn has the effect of a legal enactment. Mr. David Mundell dealt with this point, and I refer to some extracts of his evidence which will be found at pages 472 and 473 of the minutes of proceedings and evidence. At page 472 Mr. Mundell said:

Now, the operative word is the word "declare", but then it declares that certain things shall exist; so, you have a declaration of a sort of mandatory state of affairs. Is that a mere empty declaration, in the sense of its having any legal operation as a rule of law, or is it the equivalent of saying, "There is hereby enacted the following rights and freedoms"? All I am saying at this time is that there are differences of opinion both ways, and I suggest it is unwise for a statute to be enacted with the certain knowledge there is ambiguity in it.

Then at the top of page 473 he said:

The bill could say, "It is hereby declared that there are the following freedoms"; a statement of fact. But here it is said, "It is hereby recognized and declared that there shall continue to exist". It is a declaration of a mandatory situation. What does it say? Is it simply a declaration that there are certain things existing—which may be right or wrong but it does not make law;—

That seems to me to be an important observation. Mr. Mundell was an experienced officer in the Department of Justice for a long time, and is now a professor of constitutional law, with some considerable professional experience, at Osgoode hall. He says:

—but it does not make law; or is this bill an attempt to make law providing for these freedoms?

Then in the middle of the page he said:

> Well, I would say, sir, that the fact that saying it has the effect of law has in it a latent ambiguity in itself. It is certainly a legal declaration that is made; but does it go beyond merely a declaration?

The minister certainly did not want it to go beyond a mere declaration; but he wanted it to be what in fact he said it was, a legal enactment.

> Assuming one of these freedoms does not exist under any rule, would it make it exist as a matter of law? Does it enact these freedoms, or does it simply declare an existing state of fact, without altering or varying their existence? Do I make myself clear?

Mr. Fulton: No.

Mr. Martin (Essex East): Those words are not mine. I can very well understand the minister's difficulty but I think this is very germane. Then the final point that I should like to make on this clause is that it should be noted that this is a change from the earlier clause. The earlier clause read:

> It is hereby recognized and declared that in Canada there have always existed and shall continue to exist the following human rights and fundamental freedoms.

It will be remembered that beginning wtih the first witness, Professor Scott of McGill University, objection was taken to the use of the word "always" as a misstatement of historical fact. The word was deleted by the minister at the suggestion of members of the committee. I suggest that the clause which I propose by way of amendment would meet the purposes the government and the minister have in mind; it would have other advantages which I have mentioned.

Mr. Fulton: Mr. Chairman, we had some discussion of this question in the committee, and it was the question of whether the form of a declaration was any the less positive law, any less effect as an enacting law than the form of words without a declaration.

With respect to Mr. Mundell and other witnesses who put forward this view, my considered opinion is it is not only not weaker in the form of a declaration but indeed it is stronger. After all, every enactment by parliament is a declaration. We could put into the bill of rights the provision that every person has the right to freedom of religion. Is this any the less law if it is stated that it is hereby declared that every person in Canada has the right to freedom of religion? Of course, it is not any the less law; indeed, it is a stronger enactment of the law because the declaration strengthens it by taking it out of the rule against the retrospective operation of statutes, and it is our declared intention to have this bill of rights have a retrospective effect and application with respect to statutes now on the books. I submit, therefore, that the declaration form is stronger than the form of the amendment suggested by the hon. member for Essex East.

In support of my view, may I remind the committee that the British North America Act itself uses the form of declaration in section 91 which outlines those subjects upon which it is competent for the parliament of Canada to legislate, where it says:

> 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.

And the courts have passed upon this ever since 1867, and never has the question been raised that the form of words "it is hereby declared" has the force of a legislative enactment, so I am not able to accept the amendment.

Mr. Martin (Essex East): I do not rise now to answer the minister but to make one further observation, for the record. I do not agree with the minister, but I have stated our position, as I had stated it in committee. There I stated it at greater length than I am doing tonight; but I simply wish to observe that in clause 1, as it is now before the committee, it will be noted that the minister has accepted the suggestion that was made in the committee about the anti-discrimination feature. The minister has recognized the suggestion that was made by pushing up the anti-discrimination principle from (b) to the main clause.

Mr. Fulton: The introductory words; that is correct.

Amendment (Mr. Martin, Essex East) negatived: Yeas, 19; nays, 46.

Mr. Deschatelets: Mr. Chairman, I wish to refer to clause 1, subparagraph (a) on page 2 of the bill and the legal phrase "by due process of law". The minister will remember that in the committee we tried to have this phrase changed so as to improve the bill. He will also remember that there was testimony by many witnesses who thought that if we kept this legal phrase we might open the door to some legal uncertainty. I should like to read a few words from the testimony of Professor Scott. As quoted on page 598 of the proceedings of the committee, he said:

> I think the last thing I referred to was the phrase "due process of law" in clause 2, paragraph (a), and I pointed out it would have more than one meaning. Since the protection of the declaration of property is a matter mostly decided, although not exclusively, by provincial law, and since we know, under the Canadian constitution,

that a person can be deprived by a province of his property in any manner the province decides to adopt, including outright confiscation, it would seem to me that the phrase "due process of law" there can only mean "according to law".

I should also like to refer to a few comments made by the minister, as found on page 599 of the evidence, who admitted that to a certain extent he was rather embarrassed by this legal phrase. The minister said:

It is true that we cannot say that our courts would follow all the American jurisprudence; but our courts could not fail to take account of the fact that these words are in the American constitution, that they have been given judicial interpretation.

Also, Mr. Chairman, I should like to refer to a short passage in the testimony of Professor Mundell as found on page 482 of the proceedings of the committee. Professor Mundell said:

The only point that I was making about the expression there is that there is uncertainty as to whether it means just that or means more than that. If it was intended to have a more restricted meaning, then it should be so stated.

We also have the testimony of Professor Cohen on the meaning of this legal phrase. As found on page 378 of the minutes of proceedings and evidence, Professor Cohen said:

I would say that the terms may not be comfortable to some Canadian lawyers and to some Canadian judges; but they do have a respectable lineage; the lineage is far back for us. But if you wish to change it, you might use the phrase "except by law". Law means process; law means substance; "except by law".

I have no more to add, Mr. Chairman, except to say that this legal phrase has been imported from the United States system of law. It is not customary in our Canadian system of law and therefore it opens the door to some uncertainties. We would like the bill to be as good as possible and we should like to see all possible doors to legal uncertainties closed. We know very well the meaning of the phrase "in accordance with law". We find it very often in our statutes. For all these reasons, Mr. Chairman, I move, seconded by the hon. member for Essex East:

That paragraph (a) of clause 1, page 2, be amended as follows:

That the words "by due process of law" be deleted from lines 3 and 4 and the words "in accordance with law" be substituted therefor.

Mr. Fulton: Mr. Chairman, this point again is one that was discussed fully in the committee and we had an interesting exchange with Professor Cohen whose evidence has been cited by the hon. member for Maisonneuve-Rosemont. However, I think the hon. member in his citation of Professor Cohen's evidence should have gone a little further because we would then have seen that I questioned Professor Cohen as to the desirability of substituting the expression "in accordance with law" for the expression "by due process of law". As found on the same page, page 378, a little further down I said:

I think that it might open the door to the interpretation that if parliament should pass a law, then as long as it stayed on the statute books you could do this.

Mr. Cohen: It may be. I accept that, but I would assume the history of human life and the law during the last 40 years suggests the Canadian courts look at the words "by law" as meaning "reasonably".

I went on to say:

But I was thinking of the statute itself. Some people think that the Expropriation Act is excessive in the powers it carries, but suppose you had the phrase "except by law", would it not be open to argue that so long as you have a law, even an excessive law or a harsh expropriation act, the courts could not look at it and say it is inconsistent with the bill of rights. The bill of rights would say "except by law". You are invoking a law.

Professor Cohen then said:

I think your point is well taken. It would require further imagination to read into it what I want to read into it.

By "it" there he refers to the expression he suggested, namely, "according to law". So he admitted that my point was well taken and that the expression "due process of law" did have an advantage going beyond the mere expression "according to law". I have not been able, as a result of my subsequent consideration of the matter, to come to a different conclusion from that which I expressed in the committee and, therefore, the government could not accept the amendment.

Mr. Deschatelets: I should like to ask the minister if he also remembers that the vice chairman of the Canadian Bar Association expressed, on behalf of the bar association, concern about this legal phraseology.

Mr. Fulton: Yes, that is my recollection, Mr. Chairman. We think that "due process of law", being a phrase of ancient and honourable lineage in English common law going back to 1335 and having received interpretations in the United States courts which have had beneficial results there, as was admitted by Professor Cohen, that notwithstanding the doubts that have been expressed, the better opinion is that there are more advantages in the phrase "due process of law" than in the alternative phrases that have been suggested.

Mr. Martin (Essex East): I just want to add that the evidence before the committee clearly established that the phrase "due process of law", while not entirely unknown to Anglo-Canadian law having been mentioned in a statute of Edward II, has not for a long time been in current use in our jurisprudence. We

have relied on the English practice and we recognize "according to law" or "according by law" or "in accordance with law", following the usages in United Kingdom courts as a means of expressing what in the United States legal system they understand by due process. Due process is recognized in the United States constitution and it has been subjected to different interpretations in hundreds of cases in that country. It means different things in different jurisdictions. While our courts are not obligated to regard United States decisions as authoritative, and while I recognize that United States decisions, in the absence of Canadian judgments, may be regarded as persuasive, the fact is that by the use of "due process" in this context and in this unusual way we are imposing upon our courts an obligation to begin a new Canadian jurisprudence.

This is not the case in Canadian law with regard to the suggested phrase "in accordance with law" or "by law" or the other phrase I mentioned a moment ago. I hope that the minister has been impressed with the evidence on this point and I hope that he will give consideration to the amendment before the committee.

Mr. Fulton: I should like to indicate that we have an open mind when we first give consideration to these things but after giving consideration to them and giving due weight to the points of view that are advanced by others who are concerned with the matters involved we come to a conclusion as to what is the best course to follow. Then I am not able to convince myself I would be acting in accordance with my duties if I were to tell parliament that I agree to some course I did not think was the best course. We believe the phrase "due process of law" is the best phrase in this context for the purpose we have in mind.

Amendment (Mr. Deschatelets) negatived: Yeas, 27; nays, 69.

Mr. Martin (Essex East): Before we deal with paragraph (b), it is noteworthy that the original paragraph of clause formerly 2 (b), read as follows:

(b) the right of the individual to protection of the law without discrimination by reason of race, national origin, colour, religion or sex;

The paragraph now reads:

(b) the right of the individual to equality before the law and the protection of the law;

The discriminatory feature has been pushed up, pursuant to suggestions that were made from this party, to clause 1, and there has been added to paragraph (b) the phrase, "equality before the law". The minister will recall the discussion on this point. It was felt by the government that the amendment, we proposed, the phrase "protection of the law without discrimination" etc., did not strengthen the clause to the extent which it was felt was desirable. The minister did accept the suggestion that the phrase "equality before the law", which I think very considerably strengthens that subsection, did strengthen the subsection.

I would simply observe that with regard to the other rights mentioned, those are all absolutes in form but we have assumed that they carry with them qualifications now provided for in our law. None of these are really absolute freedoms. Indeed the minister made the observation in committee that it was envisaged, for instance, in the case of freedom of the press that did not mean licence of the press, and I fully agree. Having noted that they are absolutes, it should not be forgotten, with regard to the suggestion that was made earlier in the amendment moved by the hon. member for Assiniboia and the amendments that were moved by this party in the committee, they, too, need not be regarded as absolutes but could be regarded for what they are as a declaration of particular human rights, with obvious qualifications, which I should have thought would make it possible for the government to readily accept the suggestions which we did introduce based upon the various provisions in the declaration on human rights.

Mr. Badanai: Mr. Chairman, the fundamental freedoms specified in clause 1 seem to deal in one way or another principally with the protection of the individual from the state. I therefore move, seconded by the hon. member for Humber-St. George's:

That clause 1 be amended as follows: That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b): "The right of the individual to the protection of the law against arbitrary interference with privacy, family, home, or correspondence, and against attacks upon his honour and reputation." and that the remaining paragraphs be relettered accordingly.

This amendment to clause 1 puts the state in a much more favourable light by declaring that the individual also possesses certain rights and protection by the state. This particular amendment deals with the protection that the state provides against wrongs that may be inflicted upon any one individual by other individuals, which may be inflicted in the course of ordinary social relationships. One would expect and hope that the honour of a man and the beliefs he holds would be a guide and inspiration to him in everything he says and does; hence the advancement of this particular amendment which I think is an important one.

Mr. Fulton: Mr. Chairman, here again we have a matter which was discussed fully in the special committee. The hon. members opposite made an attempt there, as they do now, to insert the general provisions of article XII of the universal declaration into the Canadian bill of rights. I can only say once again, repeating what I said in the committee, that most of what they have in mind is already covered in the wording of our bill of rights, which again serves to establish the adequacy of the draftsmanship of our bill of rights.

What do they ask? They ask that we particularize with respect to the right of the individual to the protection of the law against arbitrary interference with privacy, family, home, or correspondence. May I point out that this bill really declares that there exist in Canada the right of the individual to life, liberty, security of the person and enjoyment of property. If you have the right to security of the person you are protected then against arbitrary interference with privacy. If you have the right to security you are protected against arbitrary interference with your family, and also against arbitrary interference with your home. Our bill goes on to say that a person has the right to the enjoyment of property. If he has the right to the enjoyment of property he is protected against arbitrary interference with correspondence, which is another particular which this amendment seeks to introduce. So I say with respect to the first four particulars of this amendment that they are already covered in the present bill of rights.

Then the amendment goes on to deal with what I suggest are really matters in the field of private rights, the question of rights as between individuals. The hon. member for Fort William in moving this amendment, when he came to that part of it which deals with attacks upon "his honour and reputation" made it clear that he was thinking there of an attack by one individual upon the honour and reputation of another individual. That is why I say that here he is dealing with the field of private rights. That is the sort of thing which is covered by the law of torts, the law of libel, slander and so on. That again is not the sort of thing to write into a bill of rights dealing with the basic rights and fundamental freedoms of the individual in the over-all political sense in which we are using those terms here. That is a matter which has always been left to the operation of private law, the law of torts, in the way I have described.

Mr. Badanai: Mr. Chairman, what the minister is implying is that the present wording is all embracing, but I submit it is so only by inference. It does not spell out the real meaning of the bill. It does not spell out the fundamental freedoms which we want to put in the bill. Due process of law does not cover the situation which we envisage and would like to see spelled out in the bill. In other words, we would like to see this particularized so that everyone can understand in simple language every right which is going to be embodied in the bill of rights.

Mr. Martin (Essex East): Mr. Chairman, I am sure that the committee will recognize that the argument put forward by the hon. member for Fort William is not without its merit. I would have hoped that this particular amendment would make a stronger appeal to the minister than it obviously has made.

I think the minister displayed the weakness of his argument in his last observation, when he said that these rights which the hon. member had embodied in his amendment could be protected by action in court. That is perhaps the very essence of the whole matter. We do not deny that there are now in the law remedies to protect the home, the family, one's correspondence, honour and reputation. There are ways and means in the existing law to protect these various rights. Of that there is no question and the minister said that there were now in the law these instruments of protection.

Mr. Fulton: I was dealing there with the last two alone, honour and reputation. I said that the first four are covered in the present bill of rights.

Mr. Martin (Essex East): Yes. With regard to the last two let me deal with them now. All of the rights mentioned in this bill can be safeguarded and are safeguarded by the existing law. This bill does not in any way change the existing law. This bill does not in any way afford a protection which is not afforded in our existing statute or common law.

Mr. Fulton: You are quite wrong there.

Mr. Martin (Essex East): The minister says I am wrong but that is my view. That is also the evidence of every witness who appeared before the committee.

Mr. Fulton: No.

Mr. Martin (Essex East): That is the unanimous view of the Canadian Bar Association.

Mr. Diefenbaker: It is not.

Mr. Martin (Essex East): The Prime Minister says it is not. I would be happy to have him show me where it is not. That is the

view of the Ontario bar association in the draft bill of rights they put forward.

Mr. Browne (Vancouver-Kingsway): Would the hon. member permit a question. He suggested that this bill does not change anything. Can he tell us why we were so concerned in the committee that if we did not change the wording in one specific clause it would be open to the courts to abolish capital punishment? Does he not think, if he was so worried to see that that was changed, that the bill does do something?

Mr. Martin (Essex East): The hon. member has taken a bad example because we have taken out the objectionable words to which hon. members objected, such as the words inhuman, degrading and cruel, and also torture. They were deleted. What I am saying is this. The evidence before the committee establishes without any shadow of doubt that this bill declaratory in form does not alter the fundamental law of the land. The fundamental law of the land includes Magna Carta, the habeas corpus acts and the act of settlement.

Mr. Fulton: May I just ask a question. If the hon. member be of opinion that that was the evidence, will he explain why it was that so many witnesses who came before the committee dealt at such length with what they said were the uncertainties in the law? If it changed nothing, how could it create uncertainties?

Mr. Martin (Essex East): There is no particular difficulty in that. What we were interested in seeing was that this declaratory form of statute was put in as perfect a state as possible and we endeavoured to contrive words to do that. That was the purpose of the exercise which took up some 25 meetings.

Mr. Fulton: Surely a thing that changes nothing cannot create uncertainties.

Mr. Martin (Essex East): The uncertainties were caused by the use of certain words. The words "due process" create great uncertainty because they do not have in our jurisprudence the settled meaning they have in a varied way in the United States. The hon. gentleman cannot therefore address as an answer to the argument of the hon. member for Fort William the proposition that there is now in the law that method for the protection of those rights. Arbitrary interference with privacy, with the family, home, correspondance are all capable of protection under the existing law. All we do when we say freedom of assembly, freedom of the press is to declare not something new but to reaffirm what we say in the preamble, what we recognize to be the present law, and that present law is determined in the case of freedom of religion in the two Saumur cases. The hon. member for Bellechasse reminds me that there is a second case on now in which there is some argument as to the exclusive competence of the federal government in the field of religion. The question of the freedom of the press, yes. My hon. friend the hon. member for Maisonneuve-Rosemont points out that the case to which the hon. member for Bellechasse directed our intention was before Judge Lizotte who said:

(Translation):

Justice Lizotte does not share that opinion. According to him, freedom of religion falls into the category of civil rights, a category which, under the constitution, is restricted to the provinces. The plaintiffs also claimed that the act being infringed came under criminal law, because penalties were provided for offences.

(Text):

It is clear, therefore, that the fundamental law of the land deals with the situation. The fundamental law of the land deals with the rights which the hon. member for Fort William has sought to have us protect, and all that we are doing is to ask that there should be a recognition in the law by way of a declaration against arbitrary interference with privacy, against the family, against the home, correspondence and attacks upon one's honour and reputation. This is a declaration against molestation, in part, and molestation is one of those rights which Sir Frederick Pollock thought the common law did not adequately deal with, and that was later followed by the decision in the Christie case where there was an attempt to define the matter more clearly.

There is one further argument that is incorporated in this amendment of the hon. member for Fort William. We have recognized in the preamble the importance of the home and the family in Canadian society. We say in the first paragraph of the preamble:

The parliament of Canada, affirming that the Canadian nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions;

We recognize this right in the preamble, as we do the human rights and fundamental freedoms in this bill. Should we not take advantage, then, of declaring that one of the rights in this bill of rights is the existence of the home—le foyer—the family, the solid basic elemental institution in our society? That is the purport of part of this amendment and I had hoped that the minister himself who, I am sure, in principle, shares our concern in this matter would recognize the validity of our proposal. This is relevant to

a declaration on human rights. Again I remind the hon. gentleman of the strong arguments that he made in committee. As he told the hon. member for Vancouver-Kingsway and other members of the committee, he could not take out "torture", he could not take out "cruel, inhuman and degrading" because that would put the Canadian government in an invidious position vis-à-vis the declaration on human rights. He reminded us that the Soviet union would say of us that we were accepting lesser terms in our bill of rights than we were in the declaration on human rights. Well, the declaration on human rights says:

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence nor to attacks on his honour or reputation. Everyone has the right to the protection of the law against such interference or attack.

So I would urge the minister to reconsider his position and to recognize that there could be no harm result from the inclusion of this kind of declaration. It will be notice to all and sundry that this nation of free people recognizes the validity and the solid basis of the family as a vital factor in the Canadian nation. That seems to me to be an argument that ought to impress the government and I had hoped it would.

Mr. Fulton: The hon. gentleman overlooks the fact that in seeking to introduce this amendment restricting the protection of the law to particulars he would, as I see it, cut down the extent of the protection provided under subparagraph (a), because that subparagraph without restriction says an individual has the right to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except by due process of law. The individual enjoys those rights without restriction. Without inhibition, he enjoys them in every aspect of his life as an individual.

Now the hon. gentleman seeks to introduce a limitation. He seeks to introduce a particularization and say: This right applies only to protection against arbitrary interference with privacy, or family, or home or correspondence; that is the field within which we want these rights to operate. We want them to operate in general, in toto with respect to all aspects of the life and being of the individual. How can it possibly be seriously argued that if an individual has a right to security of the person he is not protected in his family life?

The family is a group of individuals and each one of them has the right to the security of the person and the enjoyment of property. Therefore the family as a unit enjoys the sum total of all the rights of the individual who make up that family, rights that we have ensured in this bill. We do not want these rights to be confined within the narrow limits that the hon. member seeks to set out each time he introduces another particular. The effect would be to weaken, not to strengthen the provisions contained in this measure. Our bill of rights is better in that it does not limit the protection that the individual enjoys or that the family enjoys as a group of individuals enjoying the collective rights that every one of us as an individual enjoys.

With regard to the final parts of the amendment, protection against attacks on honour and reputation, again I can only say that they are subject to law now. In this respect we are not doing anything, but these are under provincial laws. Does the hon. gentleman suggest we can enact a federal law against ordinary libel and slander? It is the law of libel and slander that gives the power to protect against infringement of these rights. Most certainly it is. We have no power to enact a law of libel or slander.

Mr. Martin (Essex East): We are not enacting; we are just declaring. Surely that is the situation.

Mr. Fulton: This, I think, is revealing exactly the difference between us and the opposition. They want us to declare a law with respect to rights that the federal parliament has no power to protect because we have no power to enact laws of libel and slander. Therefore, what on earth is the point of our legislating and saying there are rights of protection in the field of libel and slander? We have no power over that. My hon. friend would have a hollow, empty declaration, a great many hollow words meaning nothing, if we followed his policy.

That is not the kind of bill of rights we want. We want a bill of rights within the federal field of competence declaring rights that attach to the individual which this parliament has the power to ensure can attach to him so that parliament can see that he gets the full protection of those rights. That is why we have set our faces against all these efforts to introduce meaningless, hollow phrases which would be a shallow puff trying to pretend to the people that you are doing something you know perfectly well you cannot do for them.

Mr. Martin (Essex East): Mr. Chairman, I cannot let the last words of my hon. friend go unchallenged. My hon. friend says we are asking parliament to declare a bunch of hollow rights. I cannot agree that a declaration by this parliament within the terms of its competence, having in mind the limitation of our powers as recognized in the preamble, when we refer to the home and family is a declaration of hollow rights.

Mr. Fulton: We have the whole of the family covered in the bill now.

Mr. Martin (Essex East): I believe that a declaration by this parliament, within the limits provided for, as to the powers of this parliament in the preamble is not a hollow declaration any more than it was a hollow declaration for the government of Canada to join in the declaration on human rights.

Mr. Diefenbaker: It never did, as a matter of fact.

Mr. Martin (Essex East): I did not hear my right hon. friend's interjection.

Mr. Diefenbaker: I said it never did, as a matter of fact. You would not bring it before parliament.

Mr. Pickersgill: Have you?

Mr. Martin (Essex East): This is the second time the Prime Minister has mentioned this. On the previous occasion, I reminded him that he was a private member of this house, a champion of human rights, and I should have thought that if he had not appreciated the implication in so far as the property and civil rights clause in section 92 was concerned, there was nothing to prevent his rising in this house and moving that the government of Canada take action in connection with that declaration consistent with his cherished views.

Mr. Diefenbaker: What would have been the result?

Amendment (Mr. Badanai) negatived: Yeas, 25; nays, 85.

Mr. Martin (Essex East): Mr. Chairman, before we proceed to the next item I should like to say one thing to the minister. When the hon. gentleman was commenting on the first amendment proposed this afternoon, he said that the proposed amendment clearly dealt with something outside the competence of parliament. I commented and said that surely we have dealt with that by the provisions put in the preamble which take into account that the matters being dealt with in this bill are only within the competence of the federal parliament. I do not think there is any doubt that in so far as judicial interpretation is concerned, the courts in trying to ascertain the meaning of a section or a word in a section are entitled under judicial interpretation practice to refer to the preamble for assistance as to the meaning of a section or parts thereof.

I want to tell the minister now so that he will not raise this argument—because I want him to know that so that when we come to clause 5 there can be no doubt we are dealing with matters in law only within the competence of the federal parliament—I propose to move an amendment to clause 5 that will clearly indicate that nothing in this act shall be construed as being beyond the jurisdiction of the parliament of Canada. I thought in fairness to the minister I ought to mention this point and seek to anticipate anything that he might have to say.

Mr. Batten: Mr. Chairman, I propose to move an amendment to clause 1. I know that the Minister of Justice will characterize my action in this regard as particularizing; yet I believe that there are some rights which should be included in the present bill which are not included. I believe that individuals in Canada should have the right to move from one area to another and the right to live within any area within the confines of their own country. Surely such a right is fundamental to the happiness and well-being of Canadian citizens to live in a free society. These rights are not accorded to citizens all over the world. Perhaps there are times in our own country when we have felt that these rights were not accorded to our own citizens. I therefore move, seconded by the hon. member for Fort William:

> That the following paragraph, to be designated paragraph (c) be added after the present paragraph (b):
> "The right of the individual to freedom of movement and residence within the borders of Canada."
> and that the remaining paragraphs be relettered accordingly.

Mr. Fulton: We are obviously rehearsing a series of movements that remind me somewhat of a ballet. Every amendment now being introduced was brought forward in the special committee where my hon. friends sought to introduce all these bills of particulars and where on each occasion the good sense of the majority of the committee prevailed and the arguments of common sense also prevailed and the amendments were rejected.

I sometimes wonder what, in the minds of my hon. friends opposite, is the use of referring things to a committee because they go to committees, they have the fullest discussion, my hon. friends lose the argument, their points are established not to be valid and they come back here and go through the same thing all over again. They seem to establish a sort of pas de deux between the special committee on the one hand and the committee of the whole on the other with every move an artificial and automatic reaction in this chamber no matter what had taken place in the special committee. We now seem to have to go through the same process again.

Mr. Crestohl: Does the minister mean to imply that members of the house who are not members of such committees have no rights to discuss these amendments?

Mr. Fulton: No, not at all. I would be taking quite a different position if my hon. friend, not having been a member of the committee, or not having read the proceedings which are available to him, had, because of his lack of knowledge of what had taken place in the committee, been moving these amendments. That is not the situation. My hon. friend is not moving the amendments. The same people who moved them in committee are just—

Mr. Pearson: They are not allowed to?

Mr. Fulton: I am not saying that.

Mr. Pearson: That is what you are trying to say.

Mr. Fulton: No, no. My hon. friend, the Leader of the Opposition, should not get so exercised. All I am doing is pointing out the absurdity of what is taking place.

Mr. Pearson: About exercising our rights.

Mr. Fulton: Am I not allowed to exercise my freedom of speech? Have I not freedom of speech to point out just how ridiculous the members of the opposition are? My hon. friends opposite obviously do not like this. They do not like being exposed. I am not surprised if they do not like it, but I have a perfect right to expose them. I am not going for a moment to deny them their right to do this. It is very entertaining. Ballets are entertaining, even although the movement is artificial. Ballets are very entertaining, and I am sure the whole committee is being vastly entertained at what we see going on. All I am trying to do is to indicate the full extent of what is going on so my other colleagues in the committee can appreciate fully, as I do, exactly what is taking place.

Mr. Martin (Essex East): Now that we have had that lecture, let us get on with the bill.

Mr. Fulton: With respect to the amendment now moved, here again we get into a bill of particulars. What my hon. friends are now trying to write into the bill of rights is a very particular and special attribute of citizenship which, of course, if it is important to assert, should be asserted in the Canadian Citizenship Act. But this particular attribute of citizenship, the right to freedom of movement and of residence within the borders of Canada has, as I see it, no place in a general bill of rights. A general bill of rights provides that every individual has the right to life, liberty, security of the person and enjoyment of property. Now, if he has the right to security of the person does my hon. friend think that that is not sufficiently broad to give him liberty of movement? How can you interfere with his liberty of movement except by interfering with the security of the person? You are going to have to stop him; you are going to have to place him under some restraint to prevent him from moving freely. I ask my hon. friends opposite whether they do not agree with that?

Mr. Martin (Essex East): We do not.

Mr. Fulton: Well, in what respect? How, then, can you stop him from moving freely unless you place him personally under some restraint?

Mr. Martin (Essex East): I will deal with it.

Mr. Fulton: I wish the hon. member would deal with it now.

Mr. Martin (Essex East): You make your speech and I shall be very happy to deal with it.

Mr. Fulton: We are in committee; I thought perhaps we could have the proper process in committee.

Mr. Martin (Essex East): I want to give the minister a lecture first.

Mr. Fulton: All right; then, if my hon. friend is not prepared to answer my question, I will simply say that silence indicates assent. It is, of course, obvious that you cannot interfere with somebody's freedom of movement unless you place a restraint upon his person, and in that respect you have to interfere with the security of his person. Or, if you did not do that, then you would be interfering with him in a way outlawed by clause 2 of the bill which prohibits the arbitrary detention or imprisonment of any person, so that you see already in the bill the general right of the individual to have these attributes. It is covered now. If you want to cover it specifically, if you want to particularize, then, as I say, the place to do that is in the particular statute, in the Canadian Citizenship Act. If you want to write down the specific attributes, list all the attributes of citizenship, they should be put into the Canadian Citizenship Act.

But I should like to raise one other specific question, bearing in mind that this bill as drawn applies to all individuals in Canada, citizens and non-citizens, I am not quite sure whether my hon. friend wishes to provide at this stage that all those individuals have the right of freedom of movement and of residence, including those who may not be law-

fully landed in Canada. I am not at all sure, when my hon. friends stop to consider it, they will not say that they go much too far in what they are trying to write in here. That is why I say it should be properly written into the Canadian Citizenship Act where we could see exactly how far we do want to go in spelling out these individual attributes of citizenship.

But, Mr. Chairman, I feel I have taken too much time, but this is an exercise that my hon. friends opposite apparently want to go through here. They are apparently ready to repeat everything that was said in committee, and if that is their desire they will find us co-operative. We are not anxious to rush this bill through the house at all.

Mr. Pearson: Mr. Chairman, the minister has given us a little lecture in his best ministerial manner, during which he has likened this discussion of the bill of rights to a ballet dance in which he no doubt fancied himself as the prima ballerina. In the discussion of the bill of rights he has suggested that because we were unsuccessful in making certain changes in the bill in committee we should be debarred from the privilege of re-introducing them in committee of the whole,—

Mr. Fulton: I am not suggesting you be debarred at all.

Mr. Pearson: —and trying to convince the committee of the whole and give a second chance to improve the bill. When this is attempted the minister makes fun of members on this side and says, of course, if someone who was not on the committee had done it, it would be all right, but how dare a member of the committee who was unsuccessful in getting this bill changed in committee bring forward amendments in committee of the whole? Then, he has trotted forth his old argument about particulars. The only particulars that make any impression on the minister in respect of this bill are those which the government has selected for itself. To them the argument does not apply.

In this connection it is interesting to read from the Prime Minister's speech in the House of Commons in 1947 because it deals with this question. It is the speech to which the Prime Minister himself has referred so often, and only this afternoon when he was giving us on this side his lecture because he thought we had changed our position over the years and had shown some signs of improvement. The Prime Minister has not shown any signs of improvement because on May 16, 1947 he said, as reported at page 3152 of *Hansard*, that if he had a chance to write a bill of rights:

The bill of rights I had drafted would have provided—

He said a lot of other things about the bill, but I will quote just one sentence:

The bill of rights I had drafted would have provided the assurance to Canadians, without regard to race or creed, of the following freedoms:

And this is one of the freedoms we have just been talking about and which the minister has been arguing against as being ridiculous. But the Prime Minister would have put in his bill in 1947:

Freedom from wrongful interference by the state; and by that I mean freedom from unreasonable interference with person, home, reputation, activities and property of the individual.

What was a desirable objective of the Prime Minister in 1947 now becomes ridiculous in terms of a bill of rights of 1960.

Mr. Fulton: Not at all, Mr. Chairman. The interesting thing about this point is that my hon. friends opposite are so obsessed with the form of words that they themselves have devised that they refuse to recognize that the bill of rights covers all of these things as it is drawn at the present time.

Mr. Pearson: May I ask the minister if he would accept that form of words put forward by the Prime Minister in 1947?

Mr. Fulton: We had all these things in mind when we went to work on a draft bill of rights and we drafted a bill of rights that covered them.

Mr. Martin (Essex East): Mr. Chairman, just so that the minister will not think that the opposition does not have precedents other than the bill of rights, I would remind him that if he will look at the draft bill of rights submitted by the Ontario bar association and prepared in February, he will see there is a provision in that draft bill of rights which is consistent with this particular recommendation. The minister forgets that this is not merely an academic proposal, that there were situations in this country about which some hon. gentlemen complained. The Minister of Justice was not among those.

Mr. Fulton: Nor were you.

Mr. Martin (Essex East): Nor was I, and I stated that in the committee. He was among those who supported the government, as did the Secretary of State for External Affairs. I have stated categorically, as did the Leader of the Opposition, that in retrospect that was not the kind of act that was in keeping with a bill of rights or with a legal system that sought to protect them. We must avoid these things. The hon. gentlemen seemingly do not have the courage on occasion to acknowledge that they frequently do make

mistakes. When someone is prepared to avow the fact they find that a most unusual course.

We in the Liberal opposition, based upon the declaration of human rights, based upon the recommendation of the Canadian Bar Association, based upon our own experience in this country and experience in other countries, believe this is an important right, and we think that the government's refusal to include it can only mean that they have a limited conception of what a bill of rights is intended to mean.

Mr. Fulton: May I point out, Mr. Chairman, that it is encouraging to see the extent of the conversion of hon. gentlemen opposite after 22 years. For 22 years they would have nothing to do with passing a bill of rights but now they have become converts to such an extent that they want to write a bill of rights that, first, will be a bill of particulars and, second, a bill of rights that would not even be subject to the ordinary restraints to which Canadian citizens themselves would agree they should be subjected. Such is the zeal of these recent converts.

Mr. Pearson: Why oppose your own bill?

Mr. Fulton: Let me point out, Mr. Chairman, because if my hon. friends opposite will indicate their readiness to listen to a serious argument I should like to make one—

Mr. Hellyer: We would if we could hear one.

Mr. Fulton: I am quite sure the hon. member who made that particular interruption would not recognize one if he did hear it.

Mr. Hellyer: I will have the chance when the hon. member for Essex East speaks.

Mr. Fulton: It has been agreed that all individuals in Canada should enjoy certain rights subject to the ordinary limitation that they are liable to be deprived of them by due process of law. If you did not have such a restraint in the bill it will be appreciated that you could not even put a person in prison notwithstanding that he had been properly convicted of a criminal offence.

Mr. Martin (Essex East): Oh, my goodness, surely my hon. friend is not serious when he says that.

Mr. Fulton: If the bill of rights were to confer an unlimited right to security of the person—

Mr. Martin (Essex East): Will my hon. friend permit a question?

Mr. Fulton: Gladly.

Mr. Martin (Essex East): When he provides in the bill a declaration as to freedom of the press does that mean that the laws of defamation do not still apply?

Mr. Fulton: Of course it does not.

Mr. Martin (Essex East): Why would the position in this particular context be any different?

Mr. Fulton: We discussed the matter of freedom in the committe and freedom does not mean licence. In the earlier subparagraphs (a) and (b) we are talking about rights, and we have conferred deliberately by subparagraph (a) the right of the individual to life, liberty, security of the person and enjoyment of property. If we stopped there those would be absolute rights because there would be no words of limitation. Therefore it is necessary for us to go on and provide these words, "and the right not to be deprived thereof except by due process of law", which means that a person who would otherwise have an absolute right to liberty and security of the person is nevertheless liable to be deprived of that right if, for instance, he is convicted of a criminal offence by due process of law and therefore properly sentenced to confinement in jail.

But having accepted that approach, and my hon. friends opposite have accepted it because they have not attempted to change it and could not since it would not be possible to argue otherwise, they now seek to insert additional rights not subject to the restraint that persons are liable to be deprived of them by due process of law. You will observe, Mr. Chairman, that the right now sought to be included by this amendment is an absolute right, the right of the individual to freedom of movement and residence within the borders of Canada, an absolute and unlimited right not subject to being taken away even by due process of law.

This is one of the reasons why I object to all these attempts by my hon. friends to introduce these particulars in a place in the bill of rights after the general subclause (a) which makes it clear that the rights therein provided are to be enjoyed subject to the likelihood of being deprived of them by due process of law. It is not responsible legislation to seek to confer, as these amendments do, absolute rights in a form which would place them beyond the reach even of the ordinary processes of law. If you confer an absolute right to freedom of movement you have conferred a right to enjoy that freedom without being liable to interference even by due process of law. This is just one other way in which the amendment is unacceptable.

Mr. Martin (Essex East): Mr. Chairman, the minister, of course, has the right to speak as often as he does and I am not complaining about it.

An hon. Member: You should not.

Mr. Grafftey: You are very condescending.

Mr. Martin (Essex East): I thank hon. gentlemen who are so desirous of passing this bill of rights for allowing the fullest and most unhampered discussion. The people of Canada will learn that every time we say something, while discussing the bill of rights, and that hon. gentlemen do not agree with, they make it impossible for discussion to continue.

Mr. Grafftey: Nonsense.

Mr. Martin (Essex East): My hon. friend says "nonsense" but he hears a catcall right now. May I simply say to the Minister of Justice, that when he says that this particular right which is sought to be incorporated by the amendment and which we have moved is not subject to due process of law and is an absolute right, I must indicate that my hon. friend is the Minister of Justice. He does not occupy the same position as do private members of the house or even his own colleagues. He is the custodian of our law. He is presumed to know and to be the protector of our law, and when he says, as he has now said in the discussion of this bill, that this amendment is not qualified by any existing law he is stating something which he knows is not a fact.

Mr. Fulton: That is not what I stated.

Mr. Martin (Essex East): My hon. friend said that we were giving an absolute right.

Mr. Fulton: That is what I said.

Mr. Martin (Essex East): He said that because we were not including the phrase "due process of law" we, by any course that would be taken, were giving something that amounted to licence, something that is not protected. The only rights that we are providing, including the rights I mentioned a moment ago, are all subject to existing law. The amendment does not mean that an individual who has committed a crime shall be allowed to leave the country and to return without facing a charge against him for the crime he has committed. Of course the ordinary law operates. This does not deal with that aspect of the problem, and my hon. friend has surely strained his argument to the point where it is beyond reasonable proportions.

Mr. Fulton: Why was it necessary, then, to insert the phrase "due process of law" in the earlier paragraph?

Amendment (Mr. Batten) negatived: Yeas, 27; nays, 88.

[Mr. Martin (Essex East).]

(Translation):

Mr. Deschatelets: Mr. Chairman, I wish to suggest an amendment to clause 1 which would add a right that we consider most important and, indeed, fundamental, though everyone recognizes today that we can exercise that right at will. I refer to the right to leave the country and return.

Over the last ten years, Canada has admitted over a million immigrants who have become excellent Canadian citizens. In many cases, I was informed that those new Canadians had some difficulty in leaving Canada to visit relatives or friends, in Europe or elsewhere, because our citizenship legislation contained no provision guaranteeing that a Canadian citizen who leaves the country has a right to return.

It is not a matter of creating new rights. We are trying to dress up a bill of rights which was brought before us in a very shabby condition, and trying to make it as effective an instrument as possible. In my view, there are a number of rights which we now enjoy in Canada and which we consider important that should be spelled out in this bill of rights. If it is true that there exists in Canada a climate of freedom, why not show it by mentioning in this bill that in Canada, we enjoy the right to leave the country and return?

Therefore, Mr. Chairman—

(Text):

I move, seconded by the hon. member for Essex East:

That clause 1 be amended as follows:

That the following paragraph, to be designated paragraph (c) be added after the present paragraph (b):

"The right of the Canadian citizen to leave the country and to return to the country."

and that the remaining paragraphs be re-lettered accordingly.

Mr. Argue: Mr. Chairman, I think this amendment is a good one. A number of instances have come to the attention of hon. members which would indicate that the discrimination mentioned in this amendment has taken place in years gone by. I feel, therefore, we should spell out the right of a Canadian citizen to leave the country and to return to his country and I agree that the minister should accept it.

Mr. Fulton: May I point out two or three things quickly in connection with this amendment. In order to save the time of the committee may I point out that the discussion in committee in connection with this amendment will be found starting at page 627 and following of the evidence.

The three points, very briefly, are, first, that with this form of amendment you introduce a discriminatory provision into the

bill of rights itself. The bill of rights is applicable to all individuals in Canada. My hon. friend's amendment applies only to Canadian citizens, so I think this would be introducing a discriminatory feature into a non-discriminatory bill of rights. Second, the bill deals with rights in Canada. My hon. friend's amendment deals, in one part, with rights that cannot arise in any practical sense whatever unless the person is outside of Canada, because the right to return does not arise in a practical sense until a person is outside our borders.

Again, Mr. Chairman, this is a bill of particulars which, in this case especially, is sought to be made applicable only to the Canadian citizen and not to all individuals who are covered under our bill of rights. This clearly demonstrates that this kind of particular should be spelled out in a citizenship act, and not in a bill of rights.

Mr. Crestohl: I rise on a question of privilege, Mr. Chairman. A moment ago a remark was made that I enjoyed too many rights. It is understood that we are now debating a bill of rights for Canadians, and I said we should be a little more patient. The hon. member for Lake St. John then had the temerity to say that I already enjoyed too many rights in Canada. He, as a member of the government, had no right to make such a statement and I call upon the Minister of Justice or the Prime Minister to repudiate that member at once for making that statement.

The Chairman: May I say on the question of privilege that the hon. member has mentioned the Minister of Justice, but I do not believe he has any connection with the question of privilege. I shall give an opportunity to the hon. member for Lake St. John to comment on the question of privilege.

(Translation):

Mr. Parizeau: Mr. Chairman, I do not think I mentioned anyone in particular. I said that we already had too many rights at the present time. Therefore, if the hon. member for Cartier (Mr. Crestohl) feels that I have offended him, I say that I made no mention of him nor of any other member. I simply said that we already enjoy too many rights.

(Text):

Mr. Martin (Essex East): Mr. Chairman, I would just like to say that the hon. member for Cartier, against whom these remarks were attributed—

The Chairman: Order. The hon. member for Essex East must accept the statement made by the hon. member for Lake St. John that these remarks were not addressed to the hon. member for Cartier, and I consider the incident closed.

Mr. Argue: Mr. Chairman, on a point of order, as I understood the hon. member for Lake St. John, he said that his remarks were addressed to all members of the committee in general. I say it is just as much out of order to make the statement in this committee that the members of parliament generally enjoy too many rights as it is to direct it to any hon. member in particular. I think the hon. member who made that statement is in fact in contempt of the house.

Some hon. Members: Oh, oh.

Mr. Argue: I think the hon. member should withdraw that kind of remark. I think it is most unparliamentary, most unbecoming and it is particularly unbecoming when we are dealing with a bill of rights.

The Chairman: I think the hon. member has exaggerated the incident. There may be several interpretations put on the statement. If it had been addressed in particular to the hon. member for Cartier I realize that there would be a question of privilege. But the hon. member for Lake St. John said that it was a remark addressed generally and there are several interpretations one can apply, so I will consider the incident closed.

Amendment (Mr. Deschatelets) negatived: Nays 76; Yeas 27.

Mr. Badanai: Mr. Chairman, the amendment I am about to move has to do with the right to nationality. I therefore move, seconded by the hon. member for Humber-St. George's:

> That the following paragraph be added after the present paragraph (b):
> "The right of nationality and the right to change nationality."
> and that the remaining paragraphs be re-lettered accordingly.

The right to nationality actually is a recognition of the natural desire of every human being to enjoy the association of family and home, and of course the right to change his nationality. It is simply the completion of the right of a person who has found a new home to join in full in the fellowship of the family which occupies that home.

Mr. Fulton: Mr. Chairman, for purposes of identification this amendment can be identified as article XV of the universal declaration of human rights, the discussion of which took place at page 633 of the report of the proceedings before the special committee on human rights and fundamental freedoms. For the reasons given at that time, but particularly for the reason that I still fail to see how Canadian law can confer upon anybody the right to acquire another nationality, I am unable to accept the amendment.

Mr. Martin (Essex East): Mr. Chairman, the Minister of Justice is making the same argument again. This amendment is proposed by the hon. member for Fort William, who is himself a pretty good example of what those who come to Canada and accept membership in this nation can do and are contributing to this country. The hon. member for Fort William was born in Italy, has served his community the city of Fort William as mayor for a long time, and is now a very ardent, industrious and constructive member of this house. Therefore, it is appropriate that he should move this particular amendment.

The hon. member for Cartier who rose a few minutes ago is likewise one of those men whose family came from Europe, sought asylum and sanctuary and the opportunity of making their way in this country. They are the embodiment of what we are seeking to establish in a right that is recognized now in the domestic law of many European countries, and affirmed in the declaration on human rights.

Mr. Chairman, there are individuals who are what are called "heimatloss", who are without nationality, and who in some countries are denied the opportunity of nationality. There are people who come to this country from certain areas of the world who are sometimes unaware that once they have lived in this country for the prescribed period and have qualified in other respects they can become Canadian citizens. This right will not only serve to bring home this fact to such people; it will not only remove the matter of "heimatloss" in some particular situations; it will do something that will enable this country to assert vis-à-vis certain other countries the supremacy of our law in respect of people who are resident within our borders.

In Italy, in Japan and in certain other European nations the laws of the land do not allow a person to abandon his nationality. A person might come from one of those countries to Canada, might live here more than five years and become a Canadian citizen, yet according to the law of his country of origin he continues to be a national of his country of origin.

What we are asserting here, then, first of all, is the right of nationality, a right which was taken up by the man who proposed this amendment, and the right of the Canadian citizen if he so wishes to change his nationality. That is a basic right. It is a right that is not a particular, as the Minister of Justice said, any more than some of the other particularizations which he himself embodied in this bill before it reached this committee. It is not any more of a particularization than the principles put forward by the Prime Minister and embodied in one of our amendments that was voted down and referred to by the Leader of the Opposition as one of the objectives stated by the Prime Minister. It is a right that should be included in this bill of rights and there has been no satisfactory answer by the Minister of Justice to the amendment.

Mr. Fulton: I will give one further answer. The right to have nationality in Canada is conferred by the Canadian Citizenship Act and it exists there. All those who come to our country, no matter what may be the law of the country from which they come, enjoy that right. That exists now for Canadians on this side of the house as for Canadians on the other side of the house, all of whom have made valuable contributions, who may have come from other countries. We have them in our own ranks. The rights of acquisition of nationality is contained in the citizenship act.

I can only repeat my answer to the other parts of the amendment, and I am sorry if I do not carry conviction with the hon. member, but I cannot see how any national bill of rights can be prepared to say that the laws of Canada can provide the right to acquire the nationality of another country. That might be a proper principle to put in a universal declaration of rights but it does not seem to me appropriate to put in a national bill because our law cannot confer the right to acquire the nationality of another country.

Mr. Pickersgill: It seems to me that the minister has overlooked another situation, precisely the situation referred to by the hon. member for Essex East, that there are certain countries that do deny to their citizens the right to alienate their nationality for another nationality.

Mr. Fulton: But our law gives them the right to acquire ours.

Mr. Pickersgill: Perhaps the minister would allow me to continue. I have not taken up very much time during this debate. We have never done that in this country, but there is nothing in our law to guarantee that as a right coming under our law whatsoever and it does seem to me that the amendment which has been offered by the hon. member for Fort William is putting something substantive into this bill for perhaps the first time because everything else in it is declared to be rights that have existed. Now this is a right that does not exist in any Canadian law at the present time. There just is no law in Canada which denies the right to alienate our nationality but there is nothing that says we have the right to do it.

Mr. Fulton: The citizenship act.

Mr. Pickersgill: No, the citizenship act says nothing about the rights of Canadians to become Frenchmen or Germans or Japanese.

Mr. Fulton: Of course it could not.

Mr. Pickersgill: The minister was told by my hon. friend from Essex East that in certain countries they refuse to their natives the right to alienate their nationality. We do not refuse that right, but we do not expressly state that it is a right and my hon. friend in his amendment is expressly stating it is a right and the hope that in a really free country it will be recognized as a right, and for that reason it would seem to me that this would add additional substance to the bill.

Then there is the other consideration that all this bill is doing is saying it is hereby recognized and declared that in Canada there have existed and shall continue to exist. One of the rights that does exist in Canada under the citizenship act of which my hon. friend from Essex East was the father in this house is the right of persons who are admitted for settlement in this country to become citizens under certain conditions carefully defined. That is one of the most precious rights we offer to the people in this country, and why should we not put it in this bill of rights?

Mr. Crestohl: I think I can draw the attention of the minister to another reason why this amendment should be accepted. It is quite conceivable that at some time in the future the citizenship act might be repealed. Does the minister know, for example, there are countries in the world which do not grant citizenship to any others except those who are native born? It is conceivable that at some time some government here might decide to follow the line of reasoning of those other countries which do not grant citizenship to newcomers to their land and that is why I say that if such a government in the future gets such a viewpoint and decides to repeal the citizenship act there is nothing in our rights in Canada that will give arrivals in Canada the right to have citizenship, that precious right. To avoid such a danger I think this amendment does represent a right to which every newcomer to Canada should be entitled.

While I am on my feet I should like to say to the minister that when examining an amendment he should examine it with a view of generosity rather than niggardliness. If there is some basis for an amendment it does not matter if it is particularized a little. I think the spirit of this bill is to extend whatever rights are conceivable even if they are in the form of particularizations and therefore I appeal to the minister to look on these amendments generally like a minister of justice should and give every possible favourable consideration to them.

I am sure the minister speaking from the very lofty position he occupies will not for a moment pretend that all the wisdom and all the knowledge and all the interpretation is with him. Surely he will agree that there is some capacity, some thinking, some reasoning power, some understanding of human rights on this side of the house. I do not think he should lightly set aside these amendments because they are the work of serious men, made by serious people, by thinking people not without some knowledge and experience. This is not necessarily a part measure. This is a bill on human rights which affects every member in this house and in the country and therefore I appeal to the minister to look upon these amendments in as generous a way as possible.

Mr. Fisher: I should like to ask the mover of the amendment a question suggested to me by the Joyce case in Britain. Some members may remember that Joyce, known as Lord Haw Haw, was brought back to Britain after the war and convicted and hanged for treason despite the fact that he had gone through the German citizenship courts and become a German citizen. There was a long discussion of that question of nationality at that time and as I understand it the British crown claimed that he was not in a position to eliminate his nationality. I just wondered in view of that particular case, for example, whether the hon. member who proposed this particular amendment had considered the possibility that it would mean that Canada, for example, would be precluded from trying for treason someone who might have Canadian citizenship and then had moved to another country, say an enemy country. It is not hard for us to envisage the country being an enemy and we would forfeit our rights to try this person by putting in this particular change.

Mr. Pearson: The case which the hon. member has mentioned concerned a man named Joyce who tried to divest himself of his British nationality in time of war. If I remember the case the British government said he could not do that because there was a state of war, and they acted under the defence of the realm act. Joyce offered the defence that he was not a British subject because he had taken Irish nationality previously.

Mr. Diefenbaker: Mr. Chairman, with deference to the Leader of the Opposition, were not these the facts? He was travelling and maintained a British passport and therefore,

continuing to have a British passport, Britain owed to him certain rights, namely the right of continued protection. Because he held a British passport he could not avow another citizenship even though he contended that he was not of British citizenship. The House of Lords decided—one judge dissenting as I recall it—that anyone carrying a British passport must be presumed to be asking for the protection of the British crown and having that passport placed himself in the position of being subject to the law of treason.

Mr. Martin (Essex East): Mr. Chairman, perhaps because the Prime Minister has stated part of the case I may be permitted to participate in this discussion. At that time in Britain there was no such thing as a law of nationality. There was merely the matter of status. People residing there and owing allegiance to the British monarch were British subjects. It was not until 1947, when we passed the Canadian Citizenship Act declaring in section 26 that a Canadian citizen is a British subject, that our act was followed later by the enactment of a nationality act in United Kingdom. Both the Prime Minister and the Leader of the Opposition are partly right, but I did want to add those few words to the discussion.

Amendment (Mr. Badanai) negatived: Yeas, 26; nays, 83.

Mr. Batten: Mr. Chairman, I wish to move another amendment to clause 1. This amendment deals with the position of the family in Canadian society. I believe that the family is one of the essential constituents of our society. I know that the position of the family is mentioned in the fourth line of the first paragraph of the preamble but I feel that although it is mentioned here it should be again mentioned in the body of the bill.

I know, too, that the amendment which I am going to move is also a part of the universal declaration but I do not see that that derogates from its value. I also know that I moved this amendment in the committee but again I think I still have the right to move it in this committee and to ask that it be given consideration. I move, seconded by the hon. member for Fort William:

That the following paragraph to be designated paragraph (c) be added after the present paragraph (b):

"The right of the family to protection by society and the state as the natural and fundamental group unit."

and that the remaining paragraphs be re-lettered accordingly.

Mr. Chevrier: Mr. Chairman, I should like to say a word in support of this amendment but before doing so I should like to say that I listened with interest as I am sure the committee did last evening and again today to the hon. member for Maisonneuve-Rosemont who substantiated the basis of this amendment in the speech which he delivered on clause 1.

I am somewhat surprised that there would not be included in the bill a statement covering the amendment other than that statement which is now contained in the preamble. The committee will realize at once that the family is the basis of our society. It is upon the family that Canadians rely as the basis of the community. In all parts of Canada that is so. I am sure I will be pardoned if I make particular reference to what is contained in the civil code of Quebec with reference to certain rights concerning the family. If this bill is to be a truly national bill, as the Minister of Justice has repeatedly stated, surely there should be some reference in the operative part of this measure to the family as a unit.

In certain parts of our country parochial life has a very important part to play. As a matter of fact it is the family that makes up the parish. This is not exclusive to the province of Quebec but applies to many other provinces if not all. It would seem to me that a truly national bill of rights should contain some reference to the protection of the family. If this bill is to be what the government wants it to be and what the Minister of Justice has repeatedly said it should be, then it strikes me that there should be an insertion in clause 1 which would protect the rights of the family.

Mr. Fulton: Mr. Chairman, perhaps I should say for the purpose of identification that this is an adaptation of subclause 3 of article 16 of the universal declaration. Some of the discussion on this subject will be found at page 653 and the following pages of the report of the special committee.

Mr. Martin (Essex East): Page 647.

Mr. Fulton: Page 647 and the following pages of that report. I do not think there is very much I can add to what I said there. I wish to assure the hon. member for Cartier that I have considered all these suggested amendments extremely carefully. The fact that the majority of them have been rejected up to this point does not mean they have not been considered carefully nor does it mean that the contents thereof have not been recognized as desirable in themselves. But the reason for rejection is any one of the reasons I have given to date, that they have the right without limitation, or that it is in my mind an undesirable particularization, or some such reason.

Here we come to a case where again the rights of the family, the basic laws involved

there, particularly the context mentioned by the hon. member, are wholly or almost entirely in the provincial field, the laws governing the relation between wife and husband, parents and children and so on. That kind of family law is, I think it will be agreed, entirely provincial and not federal, so that in that aspect we are dealing with something which is exclusively provincial and not within our jurisdiction.

When you come to the question of the rights of the family in the more abstract sense, then, in my view, having considered it most carefully, the rights of the family are simply the sum total of the rights enjoyed by each individual who makes up the family, and there is no right upon which anyone may rely for the protection of his family which is not a right which attaches to him as an individual, whether it be the right of the security of the person or the enjoyment of property. If one of his children's liberties is interfered with, then the head of the family protects the right of the child, but he does it by a personal action, an action with respect to the right of the individual's security of the person. Therefore, as I say, the rights of the family in this sense are simply the sum total of all the rights of the individual who make up the family, and we have anticipated the amendment therefore by our bill of rights itself which confers upon the individual the inalienable right to life, liberty, security of the person, and enjoyment of property, and the amendment therefore adds nothing but is merely dealing with a subject that comes within provincial jurisdiction.

Amendment (Mr. Batten) negatived: Yeas, 28; nays, 70.

Mr. Martin (Essex East): Mr. Chairman, I move, seconded by the hon. member for Maisonneuve-Rosemont, that clause one be amended as follows:

That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b):

"The right of the individual of equal access to public service".

And that the remaining paragraphs be re-lettered accordingly.

This is a right that is embodied in the constitutions of six European nations, and was there prior to the declaration on human rights. It is a declaration that is contained in the declaration on human rights. Because of that latter fact, in view of the position taken by the Minister of Justice in the committee when we began discussing in general terms the bill before the committee, and prior to the introduction of amendments, it would seem to deny to the minister in all logic any justification for any resistance to this amendment.

In this free country of ours there is no doubt that, subject to citizenship, every one has the right to serve as the representative of the people in this parliament and in our legislatures and, subject to other considerations, in our municipal bodies. But every one in Canada does not recognize that that right exists.

Since the war we have brought almost two million new people to this country, and they are in themselves justification of the policies of government that made it possible for them to come here. They are making a contribution just as those of us who were born here and just as those who preceded them and who became citizens of our country by the procedure of naturalization. They have the right, and we want them to know they have the right, not only to public service in the legislature or in parliament, but to public service as servants of the crown in the government service.

We have in this country a civil service commission, and we recognize the merit system, and correctly so; but there are certain aspects of our public service in which the civil service commission does not operate, and this particular right would apply to that situation. A woman who was born in Czechoslovakia, in Poland, in Rumania, in France, or in any European nation, and whose background and conditions at home are such as to cause her to take what might be regarded as menial employment, should not be denied that opportunity simply because she belongs to a particular race or because her national origin was such that—

Mr. Brunsden: Is she denied it?

Mr. Martin (Essex East): My hon. friend knows perfectly well that in certain departments of government right now it is not possible for certain people to get jobs which are at the disposal of agencies other than the civil service commission. That applies—

Mr. Johnson: Did it apply before 1957?

Mr. Martin (Essex East): My hon. friends always go back to before 1957. We are now dealing with the bill of rights that seeks to give to Canadians the rights which are not denied them elsewhere. Whatever the situation was before, if such situations do exist, now is the opportunity to correct them; but it is not only that, Mr. Chairman,—

Mr. Ricard: Has the hon. member some actual facts?

Mr. Martin (Essex East): I refer not only to the public service in the government, not only the right to take one's place in a legislative body but to the public service

generally under the laws of our country. We do know—and anyone who lives in a community as I do where there are thousands of new Canadians knows—that there are situations which are covered by this very proposed right, and it applies not only to the legislature, not only to work in the public service, but to publice service of a broader aspect.

The acceptance of this amendment, which for many people is a very basic right, a basic necessity, a basic opportunity, would be a way to meet their particular problem. When the Minister of Justice tells us that one of the objectives is to have this bill of rights available in the schools so that everybody can see it and be inspired by the freedom that exists in this country I would think that this would be a right that the minister would readily accept. Think of a right like this declared under a law passed by the parliament of Canada and the effect of that on a young boy born in Italy, born in Germany, born in Czechoslovakia, born in any of the European nations. It would be an inspiration to such young people as perhaps no other right in this particular series of amendments or in the bill itself would.

I urge that this amendment be accepted. We will not forget that there have been situations in Canada where, in spite of men being elected to public office, they were not allowed to take their seats. We have the case of Mr. Hart, a Jewish gentleman in another province. We have the case of William Lyon Mackenzie, denied three times the right to take his seat in the legislative assembly of Upper Canada. These things may not happen now but we are not legislating for now, we are legislating for the future.

When I look at the hon. member for Humboldt-Melfort, who played a notable part in the work of the committee, I remember the words he uttered from his seat in the back row on the occasion of his first speech in the house, when he mentioned standing in front of the monument of Sir Wilfrid Laurier, proud that he was a member of this house. I have never forgotten that moving statement of the hon. member. There are other members and other potential members like the hon. member for Humboldt-Melfort. Here is an opportunity for parliament directed by the government to give that inspiration. I so move, Mr. Chairman.

Amendment (Mr. Martin, Essex East) negatived: Yeas, 25; nays, 78.

Mr. Deschatelets: Mr. Chairman, there is in the universal declaration of human rights a clause which outlines the right of any individual to social security and to economic, social and cultural rights which are indispensable for the development of one's personality. When we realize that these rights have been in this declaration for a period of nearly ten years I think that if we are to adopt a bill of rights in the year 1960 we should add to many of the ancient rights enumerated in Bill No. C-79 some of these rights which we now enjoy but to which I think we should give recognition in order that people may be protected because we are dealing here in terms of the future.

[Mr. Martin (Essex East).]

I wish to point out that in the postwar period the constitutions and the declarations of rights of the fourth French republic, the Italian republic and the Federal Republic of Germany have been amended to incorporate some new rights such as the right to work, the right to a living wage, the right to rest and leisure, the right to all levels of education and the right to equal opportunities for advancement regardless of race, religion or national origin.

Having this in mind, Mr. Chairman, I think we should take the opportunity at this time to include in the bill of rights the right of the individual to social security and his entitlement to realize the economic, social and cultural activities indispensable for his dignity and the free development of his personality. Therefore I move, seconded by the hon. member for Essex East:

That clause 1 be amended as follows:

That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b):

"The right of the individual to social security and his entitlement to realize the economic, social and cultural activities indispensable for his dignity and the free development of his personality."

and that the remaining paragraphs be relettered accordingly.

Mr. Fulton: Mr. Chairman, this amendment has been identified by the mover as article 22 of the United Nations declaration and the discussion of the amendment will be found starting at page 659 of the proceedings of the special committee, including the reasons I gave there after consideration as to why we were not able to accept the amendment. In all of these matters I have said that the objectives in themselves are worthy and worth while but they are, as anyone who reads the United Nations declaration will appreciate, in large part merely declarations of objectives which it would be desirable to achieve but which, of course, can only be accomplished by specific measures in the countries which accept these as their objectives.

In a large measure, this has been accepted as the objective in Canada and this government has made substantial improvement to the various social security measures that are on the statute books of this country, and

taken other measures which improve or guarantee or form a solid base for the standard of living in this country. Again I say, for these reasons, it is not appropriate or necessary for it to be included in a bill of rights and I am, therefore, unable to recommend its acceptance as a part of this bill.

Mr. Pearson: I am surprised and disappointed that the minister is not in a position to give sympathetic consideration to the inclusion of this amendment, and amendments of this type in the bill of rights. His argument against them, and we heard it earlier in the evening, was that they dealt with social and economic rights which are desirable, he says, as an objective, but not appropriate for inclusion in a bill of this kind.

This is the general attitude, I take it, which he takes toward amendments of this nature. My surprise at that attitude results from the fact that when the Prime Minister discussed this subject on May 16, 1947, he discussed what he would put in a bill of rights and he dealt with this particular matter. He first pointed out that he would set up a committee—this was in 1947—which would include representatives from the various provinces. This committee would act in co-operation with the provinces. Then he dealt with, and I am quoting again from page 3152 of *Hansard* for 1947, the political rights that he would include in his proposed bill. This was to be a bill of particulars of the political rights that would be included and which would be worked out in co-operation with the provinces. I quote the Prime Minister, who went on to say this:

> Those were the political freedoms that I would have placed in a bill of rights. In addition to those, there would, of course, be social freedoms, if I may call them such,—

What kind of social freedoms? The Prime Minister explained what he had in mind:

> —assuring educational, property and social security rights.

This is what we are requesting. This afternoon the Prime Minister said that this bill included all that he had worked for for 14 years, so I am asking the minister now to help out the Prime Minister and put this kind of amendment in this bill so that the Prime Minister's words of this afternoon will be implemented, at least to this extent.

Mr. Diefenbaker: Mr. Chairman, it is very interesting to watch the actions of the opposition on this occasion. For the last 15 years they have consistently opposed any bill of rights. They did everything possible to ridicule, disparage any action in this regard. Indeed as late as 1958 they were still in the same position. I sat here today and listened to this vast transformation, this complete conversion, which is something that has resulted from the fact that public opinion has placed them in a position where, in order to secure forgiveness for their years of opposition, they now indulge in a conversion that would bring into existence every declaration that has ever been made, including the universal declaration of human rights which received the support of the United Nations but which they would not bring before parliament, not under any circumstances.

When we asked them over and over again to bring the universal declaration of human rights before parliament these protectors of the rights of the provinces, which they had transgressed so often, said we cannot do this; if we were to bring the universal declaration of human rights before parliament, we would be invading provincial jurisdiction. The Leader of the Opposition cannot get away from those words I read earlier, and which I shall read once more, uttered on September 5, 1958. There was an interruption on my part, which is as follows:

> I do not want to interrupt the hon. gentleman, but he has brought up something there that only he can answer. Having accepted the universal declaration of human rights in the United Nations which, I think I am right in saying, was submitted by most other democratic countries in the world to their respective legislatures, why was that declaration of human freedoms not submitted to the parliament of Canada?
>
> Mr. Pearson: Mr. Speaker, the declaration of human rights of the United Nations has been accepted by Canada.
>
> Mr. Diefenbaker: No.
>
> Mr. Pearson: Yes, I think I am right that the declaration has been accepted. If I am wrong I will be corrected. It took some years, but I think it eventually was accepted in Canada. In any event, our hesitation in respect of this declaration,—

The words "our hesitation" refer to the government of that day of which he was a member.

> —and I know something about this, arose from the fact that it included matters that were strictly within provincial jurisdiction. Therefore it could not be accepted with propriety by the Canadian delegation without having all of the provinces accept at least those parts of it which entrenched on provincial jurisdiction, and that was not done by all the provinces.

This evening, we have had a parade of amendments, one after the other, abstracted in whole or in part from the universal declaration of human rights. They paid no attention to that universal declaration from 1948 to 1957. They had it embalmed in their hearts, and now they suddenly develop a love, an affection for the provisions of the universal declaration which for nine long years they refused to bring before parliament because the various portions thereof invaded provincial jurisdiction. What is their

alibi? Their alibi is, why did you, in the opposition, not introduce a resolution bringing it into effect?

Mr. Pickersgill: Would the Prime Minister permit a question?

Some hon. Members: Sit down.

Mr. Pickersgill: Of course, the Prime Minister does not want a question.

Mr. Diefenbaker: As soon as the hon. member bobs up, I know I have struck oil. I have read the universal declaration of human rights, and I can predict the various sections that are still to come, because there are some more which have not been dealt with as yet.

Mr. Martin (Essex East): That is right.

Mr. Diefenbaker: There is one which says that no one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor attacks upon his honour and reputation; everyone has the right to protection of the law against such interference or attack. That is article No. 12.

Mr. Martin (Essex East): Mr. Chairman, on a point of order, that matter has already been dealt with and under the rules of the house we cannot retrace decisions of this committee.

The Chairman: I think it is relevant to indicate the source of amendments in general, and to indicate that the present one was found somewhere—

Mr. Martin (Essex East): Under the rules of the house he cannot refer to it.

Mr. Diefenbaker: I am simply referring to the record.

Mr. Pickersgill: Mr. Chairman, on a point of order, the Prime Minister is now referring to a decision already made by the committee on this specific point. It is a well known rule of debate that once the decision has been made it cannot be opened by the committee. That was a rule which was invoked by the Prime Minister against me very recently.

Mr. Diefenbaker: I am not referring to a vote which took place. I am simply outlining the situation so far as the universal declaration of human rights is concerned and setting out the various articles in that declaration that for all those years the former government, of which the Leader of the Opposition and the hon. member for Essex East were outstanding members, did nothing about.

Mr. Pickersgill: I rise on a point of order, Mr. Chairman, which relates to the rules.

[Mr. Diefenbaker.]

The Chairman: Do I understand the hon. member for Bonavista-Twillingate to raise a point of order because the Prime Minister was referring to something which happened in the special committee?

Mr. Pickersgill: My point of order was that the Prime Minister was seeking to revive a debate on a subject which had already been decided upon this evening by the committee, namely an amendment based upon and, as the Minister of Justice pointed out, having direct bearing upon a particular section of the universal declaration of human rights.

The Chairman: I understand the point of order, but I must say I do not accept it because the rule is that one cannot discuss or criticize a decision of a committee.

Mr. Pickersgill: Or reopen the subject.

The Chairman: But one can certainly refer to evidence given in committee, and this has been done generally on both sides of the house up till now. Therefore I think it would be most unfair if we were not to permit the Prime Minister to do so.

Mr. Martin (Essex East): Mr. Chairman, on the point of order, the words of the Prime Minister must have escaped your notice because the Prime Minister when he referred to the resolution, not remembering it has been in the form of an amendment already dealt with and which is also an article in the declaration on human rights, began to criticize the opposition—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —because he said we were going to discuss this resolution and bring it forward. He also was criticizing any suggestion that that kind of right in the universal declaration on human rights should be embodied in this precious document which he believes belongs entirely to him.

I suggest that the Prime Minister was talking on a resolution which had been dealt with by this committee, and by the most clear interpretation of our rules the Prime Minister is clearly out of order.

The Chairman: To which resolution brought forward in this committee is the hon. member referring?

Mr. Martin (Essex East): This declaration of right in the universal declaration on human rights was embodied in an amendment, which was introduced about an hour ago. It was voted down by this overwhelming majority that confronts us. The Prime Minister referred to this amendment, not recalling that that right had already been embodied in the amendment. He began to

suggest that we should anticipate an amendment being brought forward by this opposition party and embodying this right. He was therefore commenting on its merits in relation to this bill and was clearly out of order. I would ask you, Mr. Chairman, with great respect, to consider my point of order in that light.

The Chairman: There are two arguments raised by the hon. member for Essex East. One is that the Prime Minister was commenting on the declaration made either in the committee or here, but to me that is not a good reason for raising a point of order. The second argument is whether one can revive a debate. The Prime Minister was simply saying that the amendment before this committee was of a similar nature to those which had already been moved. At least, that is the way I understood it, and if I am wrong I will of course intervene in the debate, but for the time being I think we should let the Prime Minister continue.

Mr. Diefenbaker: Mr. Chairman, I was simply referring to the fact that these various articles in the universal declaration of human rights, which were regarded as improper to be brought before the House of Commons because they would infringe on provincial rights and would require the consent of the provinces before they could be brought before parliament, are now brought forward by the opposition.

I shall not refer to the sections further because I do not want to arouse the hon. gentlemen. They realize that one after the other has been taken holus-bolus in certain cases, in other cases abstracted from this universal declaration of human rights which they allowed to remain in abeyance, indeed refused to bring before parliament, through all the years that they were in power from 1948 to 1957. Now suddenly when we bring before the House of Commons a bill of rights these particular sections which were so detrimental to the constitutional background of Canada, and therefore improper to be dealt with in parliament, become the cornerstone of their argument. The series of amendments which were introduced in every case but one were included in this universal declaration to which I have referred in some particular.

Mr. Chairman, death bed repentances always lead to forgiveness. Here they are after all those years, having done everything they could conceivably do year after year to deny Canadians a bill of rights, now endeavouring to place themselves in the position of being the custodian of these rights which for so long they have denied Canadians.

I will say no more for the moment about that matter. It has been over and over again the same course of action. Hon. members opposite started off by saying that the bill of rights contained nothing which would be beneficial. Others argued that the result would be uncertainty and a great deal of litigation because the effect would be that existing statutes which deny these principles would be interfered with or abrogated or indeed repealed. Alternatively they argued that the effect would be that any judge interpreting existing statutes which deny these freedoms will from now on be required to look at this bill of rights and, in the light of the fact that it declares that these fundamental freedoms have always existed, will interpret statutes now existing as though this particular bill of rights and its principles had always been on the statute books of this country.

I can see a great deal of interpretation that will come before the courts. I am not going to detail this unless I am put in a position that anyone demands to know the number of times that these fundamental freedoms were abrogated, diminished, trodden down during the period between 1945 and 1952. I simply say this: the purpose of this bill of rights is to secure for Canadians those things that are of the essence of freedom and within the jurisdiction of the federal parliament. Several of the matters which were brought before the committee by way of amendments are matters which peculiarly fall within the jurisdiction of the provinces. My hope is that with regard to these questions which are within provincial jurisdiction, an agreement may be worked out which ultimately will achieve a bill of rights which will bring into existence those additional freedoms that peculiarly arise within the jurisdiction of the provincial legislatures, or which are in part matters of federal and provincial jurisdiction.

When I hear hon. gentlemen opposite talking about how the constitution should be amended and how easily it could be amended, and how the provinces would immediately give up their rights in this regard, I might point out that the Leader of the Opposition in 1958—

Mr. Martin (Essex East): On a point of order. The Prime Minister is not speaking to the amendment.

An hon. Member: Oh.

Mr. Martin (Essex East): The Minister of National Revenue does not seem to be too pleased with this point of order, but as a good parliamentarian he knows perfectly well that the Prime Minister is out of order. The Prime Minister is now discussing ways and means of embodying this bill of rights in the

constitution with the collaboration and consent of the provinces. The amendment before us is related to the question of social security and we are asking that this amendment concerning the right of social security be incorporated in this bill of rights and we agree it would have to be dealt with within the competence of the federal parliament. That is covered in the preamble. This reference to the provinces and to the meetings in September and October which were initiated by the premier of the province of Quebec has nothing whatever to do with the amendment—

Mr. Fulton: Who is out of order now?

Mr. Martin (Essex East): —and I would ask you, Mr. Chairman, even at this late hour, to remind the Minister of Justice that his intervention is without value and that the Prime Minister is clearly out of order.

The Chairman: I must say that a good deal of latitude has been accorded to both sides. The way I follow the argument of the Prime Minister was that this amendment covered matters which come under provincial jurisdiction. The hon. member for Essex East explained his view, but I do not think it is up to the Chair to decide who is right or wrong. On the second point, I understood the Prime Minister was saying that matters coming under provincial jurisdiction could be included in a national bill of rights but that the procedure in adopting such a bill was difficult. I may say that at that point the discussion was not strictly relevant, but at least we could see where it was leading. Perhaps I might advise the Prime Minister that he was entering into a phase which has already been covered on clause 1 of the bill.

Mr. Diefenbaker: I return to the amendment and the amendment concerns the right of the individual to social security and his entitlement to realize the economic, social and cultural activities indispensable to his dignity and the free development of his personality. Those words are very similar to article 22 of the universal declaration. Indeed, when hon. gentlemen opposite talk about clothing these freedoms in grandiloquent language I would point out that article 22 succeeds rather better in that connection than the amendment. Article 22 reads as follows:

> Everyone, as a member of society has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each state of the organization and and cultural rights indispensable for his dignity and the free development of his personality.

That was one of those rights which a few years ago could not be brought in in a declaration before parliament because of the fact that a portion of that declaration comes within provincial jurisdiction. That is why I point out that one after another of these amendments, in the array in which they have been produced, fall singularly within provincial jurisdiction. I raise that in addition to the points made by the Minister of Justice.

In so far as securing provincial agreement to these things is concerned, when we do and if we do then indeed it will be possible to have a bill of rights which will achieve, not only political rights under the jurisdiction of the national government but political and social matters within the jurisdiction of both. When I hear it said over and over again how easy it would be to attain the objective of provincial consent to a bill of rights, may I point out that the Leader of the Opposition on September 5, 1958 when he was not sure whether he was going to be in favour of a bill of rights or against a bill of rights—

An hon. Member: Is that still on the amendment?

Mr. Diefenbaker: —when as yet his mind had not been made up, made this statement as reported at pages 4648 and 4649 of *Hansard* of that date. The hon. gentleman referred to the present Prime Minister in the second session of 1951 when the house was discussing a bill to amend the Supreme Court Act, and then he went on to say:

> He brought the matter up again in 1952 with a draft bill which could be used for this purpose. Then, leaving out the intervening years when there was some discussion in the house but nothing new of significance, we find that in 1955 the present Prime Minister again placed his draft bill before the house and requested that it should be submitted to the supreme court for an opinion on constitutionality.

I did that because it had within it social rights in addition to political rights within the meaning of section 92 of the British North America Act and because of that fact and because the Liberal party at that time took the stand that it was not within the competence of parliament to have a bill of rights I asked that there should be a submission of this particular bill of rights, that a draft bill of rights be prepared by the joint committee of both houses of parliament which was set up and that this be submitted to the Supreme Court of Canada to ascertain which of these rights was within the legislative competence of parliament. In other words, we wanted to find out. We had been held up. We had been restrained. We had been prevented from securing a bill of rights because of the universal answer given by hon. members supporting the then government, with the exception of the two hon. members I mentioned this afternoon, that anything of this

nature would contravene the rights of provincial jurisdiction. The Leader of the Opposition went on to say:

> During that discussion and I recall that debate, the then minister of justice, Mr. Garson, used these words:

The Leader of the Opposition then quoted the words of Mr. Garson as follows:

> The introduction of this deceptively simple but rather emotional issue into such a complex field creates a problem which—is an extremely difficult one. It is the problem of superimposing a bill of rights, after the United States fashion, upon the federal constitution of Canada, whose main feature, inherited from the constitution of Great Britain, is the sovereignty of its legislative bodies—

Still quoting the words of Mr. Garson, the Leader of the Opposition went on to say:

> Now this feat—has never yet been accomplished in any country in the world. I might point out just one of its difficulties. It is one thing to withhold from the provincial legislative bodies legislative powers when the constitution of a country is originally formed. It is quite a different thing to withdraw from the provinces 88 years later provincial legislative powers on the strength of which at least the original provinces could argue that they entered confederation.

The Leader of the Opposition then continued, referring again to the remarks of Mr. Garson:

> He said that this was involved in the issue before the house, the effect of this kind of action, whatever form it may take, upon provincial jurisdiction.

That has been the attitude through the years. Then the hon. member for Essex East said that I had the feeling that the Conservative party believed that only this government could prepare and draft a bill of rights which would meet the needs of Canada. That is not our attitude. We asked that this matter be placed before a committee—

Mr. Martin (Essex East): Only because we insisted on it.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Two years ago hon. members opposite refused to put it before a committee.

Mr. Diefenbaker: Even though what the hon. member says is not a fact, may I say this. If it was at the request of the opposition, it indicates our willingness to do everything possible to bring about a united front on this issue. That has been our attitude; that has been our desire, in order to assure that a bill of rights would be prepared by this parliament and when passed by this parliament would be effective within the federal jurisdiction. That is what we have tried to do. That has been our purpose. Let me now point out the attitude of the opposition as revealed in the last few hours.

Mr. Pearson: Mr. Chairman, I rise on a point of order. I call your attention to the fact that the Prime Minister is not talking on the amendment and has not been for some time. We will expect the same latitude from you in general discussion as you are giving the Prime Minister.

The Chairman: I am sure the Leader of the Opposition did not mean to say that hon. members on his side have not up to now enjoyed the same latitude?

Mr. Fulton: That was a most improper remark that the hon. gentleman made.

The Chairman: Perhaps I may be permitted to point out to the Leader of the Opposition that in discussing the amendment—

Mr. Pearson: He has not been discussing it.

The Chairman: —the Prime Minister has referred to the implications of the constitution—

Some hon. Members: Oh, oh.

An hon. Member: He has been giving us a lecture in history.

Mr. Monteith (Perth): Stop interrupting.

Mr. Batten: Keep quiet.

The Chairman: —and in view of the nature of the amendment I considered that it was fair to let the Prime Minister argue his point as to the constitutional implications of the amendment—

Mr. Pearson: We will have the same right.

The Chairman: —as I have done with regard to hon. members on this side.

Mr. Pearson: Very well, carry on.

Mr. Diefenbaker: Mr. Chairman, may I say that this amendment is part and parcel of a series that have been introduced this evening the purpose of which is to endeavour to detract from the bill of rights and to leave the pretence that—

Mr. Martin (Essex East): Mr. Chairman, I am rising on a point of order—

Mr. Diefenbaker: —to leave the pretence that—

Mr. Martin (Essex East): Mr. Chairman, on a point of order, I would ask you to call the Prime Minister to order.

An hon. Member: Caesar.

Mr. Martin (Essex East): The Prime Minister may be head of the government but in this committee he is just an ordinary member.

Mr. Starr: You are becoming a Liberal dictator.

Mr. Fulton: Why do you not stop trying to be a petty tyrant?

Mr. Martin (Essex East): The Prime Minister has no right to impute motives to any hon. member.

Mr. Pickersgill: None whatever.

Mr. Martin (Essex East): The hon. gentleman has done that just now. I would ask you, Mr. Chairman, to request the Prime Minister at once to withdraw the imputation in accordance with the rules of this house.

Mr. Graffiey: Dictator. Demagogue.

The Chairman: I did not hear the Prime Minister impute any motive to any hon. member—

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Nowlan: Put them in their place.

Mr. Chevrier: What do you call that? Closure?

Mr. Habel: How dare you say "put them in their place"?

Mr. Martin (Essex East): The Chair is the neutral arbiter in this house.

The Chairman: To say that the amendment is intended to detract from the bill does not impute motives to any hon. member in particular.

Mr. Pickersgill: Amendments are moved by specific members.

The Chairman: The rule covers the situation of imputing a motive to one hon. member but to say that a certain amendment or a certain statement is intended to detract from a given thing is not imputing motives. Therefore I must rule the point of order as invalid.

Mr. Martin (Essex East): Now that it is eleven o'clock, Mr. Chairman, I ask you to take a look at the precise words of the Prime Minister to see whether the point of order I have raised is correct.

Mr. Kucherepa: You have no respect for the Chair.

Mr. Martin (Essex East): Hon. members opposite are quite a good example of the need for a bill of rights, and with this vast majority sitting behind the Prime Minister—

Mr. MacInnis: Who is imputing motives now?

Some hon. Members: Eleven o'clock.

The Chairman: Order. I shall hear the hon. member when the committee meets again. It being after eleven o'clock, shall I rise, report progress and request leave to sit again?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what we will be doing tomorrow?

Mr. Churchill: We will carry on with debate tomorrow, Mr. Speaker, and when completed we will follow with the estimates of the Department of National Defence.

It being three minutes after eleven o'clock the house adjourned, without question put, pursuant to special order.

ANSWERS TO QUESTIONS

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

MONTREAL HARBOUR—RESTAURANT TENDERS

Question No. 434—**Mr. Denis:**

1. Has the national harbours board recently called for tenders in connection with the granting of licences to operate restaurants in the Montreal harbour, known under numbers 4, 5, 6, 8, 10 and 11?
2. If so, (a) have tenders been received; (b) from whom and for what amount in each case?
3. What are the names and addresses of those who have obtained such licences and what were the amounts of their respective tenders?

Answer by: **Hon. George H. Hees (Minister of Transport):**

1. Yes;
2. (a) Yes; (b) See below.
3. See below.

Name of Tenderer	Amount of tender $
Restaurant 4, Victoria Pier	
Y. Dupuis	4,100
M. Rossi-Martinangeli	2,512
A. Gagliardi	2,500
G. Villeneuve	2,430
R. Gagliardi	2,150
L. Racette	2,135
G. Fortin	2,080
G. Lalonde	2,000
L. Chevalier	1,900
D. Luca	1,250
Restaurant 5, Section 24	
G. Lalonde	2,000
R. St. Pierre	1,600
T. Quinn	1,585
Y. Dupuis	1,520
G. Villeneuve	1,350
Restaurant 5, Section 24—Concluded	
R. Beaudoin	1,020
L. Racette	936
P. De Seve	745
F. Bozikovich	550
A. Satin	305
Restaurant 6, Section 28	
D. Pothitos	2,064
R. Gagliardi	1,750
A. Gagliardi	1,700
G. Lalonde	1,650
R. St. Pierre	1,600
L. Chevalier	1,275
D. Luca	1,250
R. Beaudoin	1,020
J. H. Satin	550
Restaurant 10, Tarte Pier	
J. Rapkin	3,250
G. Fortin	2,500
E. Robillard	2,200
G. Lalonde	2,000
S. Shoffey	1,500
Restaurant 8, Section 39	
R. Soumis	4,100
G. Fortin	2,200
L. Chevalier	1,900
L. Racette	1,836
B. Charland	1,660
A. Gagliardi	1,600
S. Shoffey	1,500
Restaurant 11, Section 50	
R. St. Pierre	2,601
P. Soumis	2,600
T. Quinn	2,465
G. Villeneuve	2,005
E. W. Soumis	1,885
R. Gagliardi	1,300
M. Cardinal	1,000
R. Beaudoin	1,799.88

3.

Restaurant No.	Concessionaire	Amount of tender $
4	Mrs. Y. Dupuis 3048 Moreau Street, Montreal, P.Q.	4,100
5	Mrs. G. Lalonde 4848 St. Catherine St. E. Montreal, P.Q.	2,000
6	Mr. D. Pothitos 1360 Delorimier Avenue, Montreal, P.Q.	2,064
8	Mr. R. Soumis 1584 Lagauchetiere Montreal, P.Q.	4,100
10	Mr. J. Rapkin 5012 Montclair Avenue, Montreal, P.Q.	3,250
11	Mr. R. St. Pierre 2276 Frontenac Street, Montreal, P.Q.	2,601

Note: This information supplements that given in reply to question 403, which appears in *Hansard* of June 20, 1960.

HOUSE OF COMMONS

Wednesday, August 3, 1960

The house met at 11 a.m.

STARRED QUESTIONS

SAUGEEN INDIAN RESERVE—ROAD ALLOWANCE VOTE

Question No. 208—**Mr. Howard:**

1. Since January 1, 1956 have the members of the Saugeen Indian band voted upon a resolution to surrender a certain portion of their reserve land to the corporation of the county of Bruce. such land to be a road allowance of approximately seven miles in length?

2. If so, and with respect to each such vote (a) upon what dates were they conducted? (b) how many members of the band were in attendance? (c) how many voted in the affirmative? (d) how many voted in the negative?

3. What action, if any, has been taken to effect the surrender of the land?

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): Mr. Speaker, in answer to question No. 208, there was no surrender of the roadway referred to in the hon. member's question. What we are concerned with here is not a formal surrender but a transfer of the land in question, which is technically quite a different matter under the Indian Act. The matter was considered at a band meeting on June 23, 1958 at which 65 electors were present. Forty agreed to make the land available, 16 voted against the proposal and the remainder declined to vote. On the same day the council of the band passed a resolution agreeing to a transfer of a 100-foot road allowance through Saugeen Indian reserve No. 29 without payment of compensation. This was all that was required under section 35 of the Indian Act, and the right of way for the road was conveyed to the province of Ontario by order in council.

MOTION FOR PAPERS

WHARF RECONSTRUCTION, MALARTIC RIVER, QUE.

Motion No. 137—**Mr. Dumas:**

For a copy of all payrolls showing the names of those employed, the period of employment and the amount paid to each person, in connection with the reconstruction, during 1959, of a wharf located on the west bank of the Malartic river, range 4, in the township of Malartic, Quebec.

Hon. D. J. Walker (Minister of Public Works): At the time the hon. member for Villeneuve was good enough to withdraw this motion previously, the matter was being investigated by the Royal Canadian Mounted Police. Had the investigation not led to anything I would have been happy to give the hon. member the information he desired, but in the circumstances, Mr. Speaker, in view of the fact that criminal prosecutions are about to be instituted, you can appreciate that it would prejudice the case of the Royal Canadian Mounted Police to disclose any information at this time. I would ask the hon. member to be good enough to withdraw this motion.

Mr. Dumas: Mr. Speaker, in view of what the minister has said, I should like this motion to stand for the time being.

Mr. Speaker: Motion stands.

Motion stands.

EXTERNAL AFFAIRS

NATO—REPORTED DISCUSSIONS ON REFORM OF ORGANIZATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. I regret that I was not able to give him notice because the report was brought to my attention just as I was coming into the chamber. Has the minister any comment to make on the report which has appeared in the press this morning to the effect that Chancellor Adenauer and President de Gaulle have had conversations during which they agreed on the desirability of the reforming of NATO?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker, I have no reports to that effect.

TIBET—REPORT CHARGING PRACTICE OF GENOCIDE BY COMMUNIST CHINA

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Further to the report of the international commission of jurists, under which communist China was found guilty of genocide toward Tibet, what is the Canadian government's attitude as a party to the convention on genocide of December 9, 1948?

Inquiries of the Ministry

Hon. Howard C. Green (Secretary of State for External Affairs): The report referred to by the hon. member was issued by a legal inquiry committee of the international commission of jurists, a non-governmental and independent body. Although the report is, therefore, unofficial, its conclusions appeared to be based on as full information as can be gathered on Tibet in present circumstances.

The Canadian government's attitude is quite clear. Hon. members will recall that at the last session of the general assembly of the United Nations, Canada voted in favour of a resolution which called for respect for the fundamental rights of the Tibetan people.

UNITED NATIONS

CONGO—REQUEST FOR STATEMENT ON CANADIAN ASSISTANCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Can the Prime Minister bring the house up to date on the progress that is being made in providing Canadian assistance to the Congo; in particular, would the Prime Minister say whether Canada intends to make any additional food supplies available?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think there is anything to be added to what I said two days ago when I spoke on this question. There is nothing further in that connection that I know of, and when any matters arise which make necessary or appropriate further action the house will be advised. At the moment there is nothing.

HEALTH INSURANCE

NEW BRUNSWICK—REPORTED ABOLITION OF HOSPITAL PREMIUMS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Finance. Has the minister taken the necessary steps to notify all departments of government concerned that hospital premiums have been abolished in New Brunswick as from July 23, and that the deductions from salaries of federal employees in New Brunswick to cover such premiums should be discontinued?

Hon. Donald M. Fleming (Minister of Finance): I have not given any such instructions, Mr. Speaker.

Mr. Robichaud: A supplementary question. Since some federal employees in New Brunswick are complaining that deductions are still being made on a plan that does not exist any more, will the minister take the necessary steps?

Mr. Fleming (Eglinton): I think the observations explicit in the hon. member's question will have to be examined, Mr. Speaker, but I will look into the matter.

FISHERIES

REPORTED PRESENCE OF RUSSIAN FLEET OFF NEWFOUNDLAND

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Has the minister's attention been drawn to a report that a Russian armada of 160 ships of up to 14,000 tons, with crews totalling about 25,000, has shown up this year off Newfoundland, ostensibly for fishing? More Russians than Newfoundlanders are in the area. If so, has the minister any comment to make?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I have seen the report referred to and I wish to thank the hon. member for giving me notice of his intention to ask this question. The report appears to be substantially correct. There is indeed a very large Russian fleet of fishing vessels, supply ships and factory ships, totalling possibly 160, operating between 100 and 150 miles off the northeast coast of Newfoundland. To the best of our knowledge they are fishing for rosefish. I must point out, of course, that this fleet is not in or near our territorial waters.

PUBLIC BUILDINGS

REPRESENTATIONS RESPECTING CONSTRUCTION OF NATIONAL LIBRARY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the parliamentary secretary to the Minister of Citizenship and Immigration concerning a matter that comes under that department. Can the parliamentary secretary inform the house whether his minister or he has received correspondence from the Canadian library association expressing dismay at the failure of the government to commence construction of the national library building, and urging the inclusion of an item in next year's estimates for this purpose?

Mr. John Charlton (Parliamentary Secretary to the Minister of Citizenship and Immigration): Mr. Speaker, I am afraid I will have to take the question as notice and get the information for the hon. member.

(Translation):

PUBLIC SERVICE

POSTAL EMPLOYEES—REPORTED DISSATISFACTION WITH RECENT SALARY INCREASES

On the orders of the day:

(Page 7457)

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to put a question to the Postmaster General (Mr. Hamilton).

In looking over Monday's paper, I recognized a well known figure who is credited with an article entitled:

Hamilton—I have no sympathy for letter carriers who complain about salaries.

Does the Postmaster General care to make any comment on this statement and explain whether he intends to run his department by humiliating and provoking all his employees?

(Text):

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, when I was in Halifax on Sunday a member of the press asked me about a press report that an official of the letter carriers association had said that they were most dissatisfied with their salaries and were considering strike action or a work stoppage. I said at that time, and I repeat, that I have no sympathy whatsoever for that sort of attitude. In my view it is unreasonable, unfair and irresponsible in the light of the conditions which exist today, because, with some 25,000 civil service employees in the department, substantial increases for well over half were announced early last month.

These increases were the largest ever announced in the history of the department. They averaged 12½ per cent, while in the period since the last increase the cost of living index has gone up only 6½ per cent. The result is that practically all those whose salaries were increased are now earning over $4,000 a year. I think that is exceptionally fair and reasonable treatment. Under these circumstances I think those who complain about salary treatment have no case whatsoever.

According to the report to which the hon. member referred, the association officials were complaining that the increases were not large enough and that certain classes had not yet been granted increases. My understanding of the situation is that the Minister of Finance announced several months ago that all salary classes would be reviewed, and that whatever salary increases were decided upon would be implemented as recommendations were received. With 150,000 employees in hundreds of classes, that process takes time, and there must always be those classes which will be reviewed first and those that will follow. The only alternative to this process is a general over-all increase of salaries at the same time, and to this the association itself has objected.

What the association which made the observations to which the hon. member refers were arguing for, and he can support them if he so desires, was that the government should not announce and approve increases as recommendations come forward but should hold all increases until they could be announced together. I do not believe that would be a popular policy, because it would hold up salary increases for many categories. I have confidence in the Minister of Finance and in the process of salary adjustments which is being followed at the present time. I understand that these association officials feel they must have some criticism to make, no matter how unreasonable they may be at times, but I do not believe their present criticisms are justified.

(Translation):

[*Later:*]

Mr. Denis: Mr. Speaker, I have a supplementary question.

According to the same article, the minister is reported to have said that the government is only following instructions from the civil service commission. If that is the case, how can the minister know that further salary increases will be granted? How can he take credit for granting salary increases and dare interfere in the affairs of a department other than his own, and this, to the prejudice of his own employees?

Mr. Johnson: A fine speech.

(Text):

Mr. Speaker: Perhaps the reply was rather extended, but certainly the supplementary question is in the nature of an argument and I think should not be pursued.

Hon. Lionel Chevrier (Laurier): On a question of privilege, Mr. Speaker—

Some hon. Members: Oh, oh.

Mr. Chevrier: —the supplementary question which was asked by the hon. member for St. Denis was provoked by the length of the reply made by the Postmaster General. While the rules are quite clear, sir, that the question should be short and the reply equally short, the minister himself went beyond the bounds of the rule. I submit to you with deference, sir, that the hon. member for St. Denis should be allowed to ask the question which arose out of the reply.

Mr. Speaker: I did not object to the hon. member asking a further question. I do object to a question which is argumentative, in the sense that it undertakes to introduce a controversial aspect of the matter.

Inquiries of the Ministry

Mr. Denis: I was just asking the Postmaster General how it is that he knows about future increases which are not under his jurisdiction. I should like to know how he could have any knowledge of a matter which does not come under his jurisdiction.

Mr. Hamilton (Notre Dame de Grace): I can answer that very simply. If the hon. member had been listening to my first answer he would have found it in there. The Minister of Finance stated some months ago that he expected all salaries would be reviewed by the end of this summer, and it was on that basis that I made the observation.

While I am on my feet, may I say that I am sure the hon. member would be interested in knowing that yesterday two men were arrested and charged with respect to the highway theft about which he complained last week.

Mr. Denis: May I ask a supplementary question. May I ask the Postmaster General whether those employees who are classified as casual and who work irregularly in the Montreal office have received these increases. as well as those in the flying squad?

Mr. Hamilton (Notre Dame de Grace): No, Mr. Speaker, to the best of my knowledge these classes have not yet had their increases. I can understand the interest of the hon. member, because probably he will be looking for such a job very shortly.

INQUIRY AS TO APPOINTMENT OF DEPUTY MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to address a question to the Prime Minister. Can the Prime Minister say when he expects to name a deputy minister for the Department of National Defence?

Right Hon. J. G. Diefenbaker (Prime Minister): I cannot give the exact date.

Mr. Hellyer: I am sorry, but I could not hear the answer. The Prime Minister will have to speak up, he is a little weak this morning.

Mr. Diefenbaker: I sometimes have to use the hearing appliance, too. I am unable as yet to say the exact date.

Mr. Hellyer: A supplementary question. I wonder if the Prime Minister would say whether he believes it is in the public interest to allow a senior civilian and administrative post in a department which is spending a quarter of the national budget—

Mr. Speaker: Order. The hon. member is seeking to comment rather than to give information.

[Mr. Speaker.]

AGRICULTURE

LATULIPE, QUE.—ALLEGED DAMAGE TO CROPS BY RAINMAKING EQUIPMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. Is it a fact that new rainmaking equipment is being tested by the officials of his department in the vicinity of Latulipe in the county of Temiscamingue? Is the minister aware that in a number of cases this rainmaking equipment is ruining the crops of the farmers in the area?

Hon. George H. Hees (Minister of Transport): No, I am not aware of that.

Mr. Chevrier: Will the minister inquire into the case of a farmer whose name is Léandre Brassard, who has complained to the Leader of the Opposition that this rainmaking equipment is causing considerable damage to his crops?

Mr. Hees: Yes, Mr. Speaker, I will be glad to look into that matter.

SHIPPING

LAKE ST. FRANCIS—GROUNDING OF FREIGHTER UNDER U.S. PILOT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): On Monday the hon. member for Laurier (Mr. Chevrier) inquired regarding reports of a United States marine pilot operating in the purely Canadian section of the St. Lawrence river between Montreal and Cornwall.

It is not legal for a United States pilot to operate in the purely Canadian section of the river below Cornwall and St. Regis, and my department is looking into the report which the hon. member has mentioned in this connection, as well as certain other reports that have reached us about alleged instances in which this has taken place. It is also our intention to discuss methods of enforcement in this connection with the United States authorities in the near future.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I ask a supplementary question of the Minister of Transport. In reply to the first question the minister said, if I understood him, that it was not legal for a United States pilot to operate in purely Canadian waters, and that this matter was being discussed with the United States authorities. Does not the Canada Shipping Act provide for certain penalties in this case?

Mr. Hees: Mr. Speaker, I think this is a matter that it would be well to work out with

the United States authorities, because this type of operation is relatively new. I feel sure the hon. member will agree that if these matters can be worked out in a satisfactory manner between the two governments, that is the best way of doing it.

Mr. Chevrier: Is that the new policy of standing up to the United States?

CANADIAN NATIONAL RAILWAYS

FORT WILLIAM, ONT.—STATEMENT ON REQUEST FOR DONATION OF STEAM LOCOMOTIVE

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, on Monday the hon. member for Fort William (Mr. Badanai) inquired whether the Canadian National Railways had surplus locomotives which they would be prepared to dispose of without charge, and if not what disposition is being made of such locomotives.

The management advise me that the railway has a limited number of surplus steam locomotives intact awaiting disposition. The present practice in disposing of these locomotives is to obtain the maximum sale price either through selling intact or cutting up for sale as scrap metal.

If the Fort William junior chamber of commerce wishes to follow the matter up, the hon. member might like to suggest that they communicate with Mr. E. A. Bromley, vice-president, purchases and stores, Canadian National Railways, Montreal, on the question of a purchase price.

MINES AND TECHNICAL SURVEYS

REPORTED DROWNING ACCIDENT AT GREAT BEAR LAKE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Is the the Minister of Transport in a position to report on the investigation asked for in this house on July 23 by members of the opposition, following the unfortunate incident at Great Bear lake where two female employees of the Department of Mines and Technical Surveys have been reported missing since July 20?

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker, I have not a report on that accident as yet.

Mr. Robichaud: A supplementary question, Mr. Speaker. Have any steps been taken by the minister's department to investigate this matter?

Mr. Hees: I believe that my department would be investigating this matter in the normal course of events.

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Mr. Robichaud: Perhaps the Minister of Mines and Technical Surveys could give a report to the house?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I have no final report. In any case, the investigation is still going on. A few days ago we authorized the president of the Arctic Institute of North America, Mr. Marsden, to assist the R.C.M.P. in starting the investigation and to get more details.

We are almost convinced that the two girls have been drowned, but we want to be sure about that and to collect the facts. When I get the final report from the R.C.M.P. I will report to the house. At the same time an investigation will be asked by the Department of Transport.

ADMINISTRATION OF JUSTICE

REPORTED CIRCULATION OF COUNTERFEIT BILLS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to ask the Minister of Justice a question. Has the minister any report to make on a question I asked 10 days ago about counterfeit $10 bills and, if so, will he take into consideration the press report in yesterday's edition of the Montreal *Star* stating that a new wave of phony bills is hitting Montreal?

Hon. E. D. Fulton (Minister of Justice): Yes. I regret that I did not give the hon. member this reply before. I was in a position to have done so yesterday or the day before, but I overlooked the necessity. I should like to inform him now that I have been advised by the R.C.M.P. that they raided a printing shop in Ontario and seized in the shop $15,000 in counterfeit Canadian bills plus counterfeit plates and a printing press and photographic equipment. They also apprehended the operator of the shop. I am further advised that the information obtained should lead to the arrest of another person. In addition, a man was recently arrested in Quebec city and $8,050 in counterfeit bills was found in his possession. In addition to this result, the R.C.M.P. is still carrying on its investigation into this matter.

Mr. Deschatelets: In view of the importance of this situation, is the minister contemplating any amendment to the civil code in order to cope with the situation?

Mr. Fulton: I assume the hon. member means amendments to the Criminal Code. No, I am not contemplating any amendment to the Criminal Code at the moment. Nothing has been suggested to me by a way of an amendment which would make the task of dealing with counterfeiters easier, but if there

should be such suggestions made I will be glad to give the matter serious consideration. I think the problem remains one of enforcement. These are well organized and skilful operators. I think in general our police are to be congratulated on keeping the thing within the bounds they have. This is, of course, an area in which co-operation among police forces at all levels is essential for success.

OTTAWA—ALLEGED PERJURY IN DIVORCE CASE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I wish to ask the Minister of Justice whether he has anything further to report on the Eccles case, which was referred to him by the miscellaneous private bills committee.

Hon. E. D. Fulton (Minister of Justice): In this connection I referred the matter, as I indicated to the house I intended to do, to the chairman of the Senate committee to see whether that committee felt it should take any action itself, because any abuse of the procedure of parliament would appear to have taken place primarily before the Senate committee and any perjury involved would appear to have taken place there, if in fact perjury was committed.

I received yesterday a reply from the chairman of the Senate committee indicating that that committee was not concerned to take any action or to make any further investigation but was content to leave the whole matter in the hands of the Minister of Justice. I have therefore given instructions that the transcript of the evidence both in our private bills committee and in the Senate committee be examined, and any evidence which appears to indicate offences against the Criminal Code be marked so that I may be in a position to draw it to the attention of the attorneys general concerned.

GRAIN

ACREAGE PAYMENTS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Prime Minister, who is relaxed and serene and most agreeable this morning, if before the hon. member for Assiniboia leaves for the west he could announce the government's policy with regard to acreage payments so that the hon. member for Assiniboia can reannounce it at the C.C.F. convention next week?

Right Hon. J. G. Diefenbaker (Prime Minister): This is the first actual example of that co-operation which has always prevailed between the hon. member for Essex East and the hon. member for Assiniboia. We have always suspected that; now we know. I realize the solicitude of the hon. gentleman in the achieving of the ambitions of the hon. member for Assiniboia, and I am sure anything that any of us over here can do to assure the attainment of those ambitions by him will be done.

HUMAN RIGHTS

MEASURE PROVIDING FOR RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The house resumed, from Tuesday, August 2, consideration in committee of Bill No. C-79, to provide for the recognition and protection of human rights and fundamental freedoms—Mr. Diefenbaker—Mr. Flynn in the chair.

Mr. Pearson: Mr. Chairman, last evening in speaking to this particular amendment the Prime Minister ranged far and wide over the bill and over the history of recent years. Among other things he chided some of us on this side for not having supported his efforts over the years to bring about a bill of this kind. That was not too easy to do during those years, because the Prime Minister's own views in regard to the nature of such a bill changed from year to year, and it was never quite certain at any one time what kind of bill or indeed what kind of idea for a bill of rights the Prime Minister had in mind.

The Prime Minister made great play last night about the attitude of the government to the universal declaration of rights which in one of its provisions, is the foundation of this amendment. Indeed, we admit that the words of this amendment are to be found in the universal declaration of human rights. The words of some of our other amendments come from that document as well. Indeed, the words of one of the provisions put forward by the government were originally taken, in substance at least, from the universal declaration of rights.

In discussing the background of this amendment last night the Prime Minister vigorously attacked the record of the previous government for having done nothing over the years in regard to this declaration. In doing so I claim that he misrepresented that record. Before this universal declaration was signed by the representative of the Canadian government in 1948 it was discussed at some length with the provinces, because there were matters in it which affected provincial jurisdiction. In this regard it is to be distinguished from a proposed international bill of rights which has been under discussion for many years and which could not have been accepted

by the government, as we saw it at that time, even if it had been up for acceptance, because as a bill it would have had some provisions which were outside the federal jurisdiction.

However, the declaration was discussed very widely, and it was signed. The Prime Minister has said more than once, and most recently last night, and he keeps on saying that the document never received consideration in this parliament. Perhaps the Prime Minister has forgotten that in two successive sessions in 1947 and 1948, this draft declaration of human rights was considered by a joint committee of the house and the Senate. It was carefully considered. I think there were 20 meetings held by this committee. The Prime Minister himself was a member of that committee. I have looked up the records of the committee and the records of attendance at its sittings as well. Therefore to say that this parliament never had an opportunity to consider that declaration of human rights is not in accordance with the facts.

The Prime Minister may also recall that in 1950 there was a Senate committee which went into the whole question of a bill of rights, including the declaration of rights, and that that Senate committee did not recommend a bill of rights because after taking a great deal of evidence it decided that was not the best course to follow. Incidentally, that committee was under the chairmanship of a man to whom the Prime Minister rightly paid great credit for his work in this field, Senator Roebuck. The committee decided that there should be something which in their view would be more suitable than a bill of rights, a declaration of Canadian rights. In that declaration they included rights dealing with social and economic matters.

Meanwhile, over all these years the declaration of human rights could have been brought before the House of Commons at any time during any session by the Prime Minister or any of his colleagues. There were various ways by which that could have been done. There were a number of supply motions, any one of which could have been used to bring this matter to the attention of the house. The Prime Minister, who now chides the government of that day for doing absolutely nothing, took no action of that kind, nor did any of his colleagues take action at that time.

The Prime Minister has also had three years during which he has been responsible for the government of this country. During any of the sessions throughout those three years this declaration could have been brought before the House of Commons and we could have been asked to support it if the Prime Minister were really so interested and anxious to have it done. That declaration could have been included in this bill. Approval of it could have been given in this bill if the Prime Minister so desired. No move of that kind was made, although this bill has been under consideration by the government for the past two or three years. Therefore this indignation at this time, in 1960, that so little action was taken in parliament about this declaration of human rights strikes me as being a shade synthetic.

Last evening the Prime Minister expressed his satirical satisfaction at the great transformation which, so he claimed, had taken place in the attitude of this party with respect to the question of human rights. There has been quite a transformation in the Prime Minister's own attitude which may be seen if you read the debates of 1947 and the discussions of 1948 and those which took place subsequently in this house on the question of a bill of rights.

One indication, however, of a lack of transformation in the Prime Minister's attitude, of his lack of willingness now to put into this bill before us something which in those days, he put forward as most desirable, an indication of his apparent inability to do now what he then proposed to have done, is the refusal of the government to accept this very amendment. We are not asking the Prime Minister to change his mind in this regard; we are asking the Prime Minister to put in this bill what he claimed years ago and over the years should be done, namely to put some clauses in the bill of rights to deal with social matters.

So that it will be quite clear what I am talking about, I will repeat what the Prime Minister said in this house on May 16, 1947, when the question of a bill of rights was being discussed. This is what he said as reported at page 3152 of *Hansard*:

> Those were the political freedoms that I would have placed in a bill of rights. In addition to those, there would, of course, be social freedoms, if I may call them such, assuring educational, property and social security rights.

We are giving the Prime Minister and the government an opportunity to do now in this bill what they claimed as far back as 1947 should be done. That is the nature of this amendment, and it will be the nature of subsequent amendments on this subject.

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

Mr. Pearson: Yes.

Mr. Diefenbaker: Is it not perfectly obvious that the inclusion of educational rights would require the consent of the provinces if it were to be made effective?

Mr. Pearson: Indeed it would, Mr. Chairman, and that is why the Prime Minister should not have talked so loosely about it in 1947; but I am now talking about social security measures and not education in any way, shape or form in respect of the right of the provinces at all. I am asking the Prime Minister now to accept an amendment which will put some social security rights in this bill of rights, something that he advocated in those days. Therefore I hope, Mr. Chairman, that the government will be happy and relieved to accept this amendment.

Mr. Fulton: Mr. Chairman, on the points made by the Leader of the Opposition, I think there are just two matters that should be replied to briefly to place things in their proper perspective. It is quite true that in 1947 the Prime Minister did suggest that the kind of bill of rights that he then had in mind should contain provision for educational and social security matters, and I think there was one other provision.

Mr. Martin (Essex East): Educational and property rights.

Mr. Fulton: It will be recalled, as has been pointed out by the Leader of the Opposition himself, that at that time the Prime Minister's suggestion was also for the reference of such a bill to the Supreme Court of Canada to see just what the parliament of Canada could include properly in such a bill. In other words the Prime Minister recognized then, as he recognizes now, that a bill of rights on that basis would probably require a reference to see whether this field, and if so, how much in this field, should be included in a federal legislative enactment.

What has been made perfectly clear over and over again is that since assuming office, and on considering all the matters now applicable and the probability or possibility of obtaining provincial consent to that kind of enactment, we came to the conclusion that at the present time, as a first step, it would be better to offer a bill of rights confined exclusively to the federal field of legislative competence.

It is for that reason in part that the bill of rights has been drawn in its present form without any reference to, or inclusion of, that kind of subject matter.

There is no secret about that. We are not in the least hesitant to admit that this was our intention. Upon reflection our intention is to take this first step to set the federal house in order in the field of bills of rights, and then at the appropriate time to initiate discussions with the provinces to see what further steps can be taken to bring about a bill to rights which will cover the whole field of those rights which it is desired to have included in a bill of rights applying to all jurisdictions in Canada. This is a perfectly simple explanation of why the present bill does not contain—and one good reason why it does not contain—the provisions the Prime Minister referred to in the quotation placed on the record.

Now, with regard to those provisions contained in the universal declaration of human rights which my hon. friends opposite are constantly urging us to incorporate in the bill, again what the Leader of the Opposition has just said establishes and confirms the soundness of our judgment in saying that they should not be incorporated in the present bill. He himself has pointed out that when that declaration was referred to a committee of parliament, the finding of the committee was that much which was contained in it had to do with the field of provincial legislative competence.

This confirms what I have been saying over and over again in this committee and what I said in the special committee. It was for that reason that my hon. friends opposite, when they formed the government, were so hesitant, to use the words used by the Leader of the Opposition, to submit it to parliament in any way; and when they did, what they did was to refer it to a parliamentary committee. They did not refer it for adoption by a formal resolution, as I recall. They were concerned because they recognized that it embraced things which are in the provincial field of jurisdiction.

That is one of the reasons I urged in the special committee, and I have been constantly urging here, that makes it undesirable and unsuitable to attempt to write into this federal bill of rights so many of the things which are contained in the universal declaration, because to do so would inevitably and inescapably take our bill of rights outside the federal field of competence and bring it into a field where it might well fail because the courts would hold that we are legislating with respect to matters which are assigned exclusively to the provinces. Certainly it would be held that we were legislating in most of those fields where the limits of our jurisdiction are by no means clear.

Therefore, Mr. Chairman, what the Leader of the Opposition has just said in my submission confirms in two precise and important respects the soundness of the stand we have taken, that those provisions of the universal declaration are not suitable to be included in a bill of rights which is designed to be a bill entirely within the federal field of competence.

Mr. Martin (Essex East): Mr. Chairman, the observations of the Minister of Justice reflect the contradiction between the position

taken by the Prime Minister and that taken by the hon. gentleman who has just spoken. The Minister of Justice, of course, passed over the suggestion made by the Prime Minister when he spoke about these matters, as the Leader of the Opposition pointed out a few moments ago. The then hon. member for Prince Albert had proposed that there should be included in a bill of rights the kind of social welfare objectives set out in the amendment before the committee at the present time, and if there were any doubt on the matter the Supreme Court of Canada should be asked, he proposed, for an advisory opinion under a reference provided for by the Supreme Court Act.

This course is not being followed by the government at the present time. If the government had any doubt whether those kinds of rights could be included, the Prime Minister had a very good precedent; that is the proposal which he himself made that the Supreme Court of Canada ought to be asked for an advisory opinion. Therefore the observations made by the Minister of Justice do not really touch the point because he assumes, as the Prime Minister has, that what we are asking for in this amendment is something clearly outside the competence of parliament. They are two observations that must be made in consequence.

In the first place, it is clear that the intention of parliament is not to touch on matters that are outside section 91 of the British North America Act; and to make that clear, notwithstanding statements made in the debate which will not be considered by the courts in interpretation, we have proposed in the preamble a clear qualification as to the federal powers. And, as I indicated last night, again so there will be no doubt we propose later on, in the operative part of the bill, to establish clearly by provisions to be incorporated that this act has only to do with matters that come within the federal competence.

But what I want to point out as to this particular amendment is that hon. gentlemen are assuming that the federal parliament has no power within section 91 to provide for social welfare legislation. Last night the Prime Minister spoke of our conversion, and then he went on to point out how happy he was at that process of association with ideas which he claims belong to him alone. We must not forget, of course, that the real author of this bill in its basic form is not the Prime Minister or the Minister of Justice but Mr. Driedger, who sits in front of the minister and who was referred to by the Minister of Justice as the author of the bill in its original form. I am not making an announcement that is being made for the first time.

But while the Prime Minister says that this conversion has taken place, he will not forget that the very thing we are asking for in this amendment was in very large measure undertaken by the administration which he criticized last night. The social security provisions we now have in Canada, passed by this house, involving family allowances, old age pensions, old age security, old age assistance, blindness allowances, disability pensions, the veterans charter and unemployment insurance, are all measures placed on the statute books of Canada by a Liberal administration. So it lies in our mouths, having taken the initiative in this field, to urge the government to recognize the validity of the amendment and to provide this right within the limits set out in the constitution, so far as the division of powers is concerned.

So I would hope that with this explanation, and particularly that of the Leader of the Opposition, there can be no doubt. The Prime Minister, as the Leader of the Opposition said, had no doubt about the right to include this kind of provision in a bill of rights; and because it is now recognized that we have passed all these social measures in this house, to the extent that these measures are within the ambit of federal power, how can the government take the position that this right must not be included because it is outside the competence of parliament, when it is clearly within it? I would remind the Prime Minister of what he suggested when he proposed in 1950 or thereabouts—I forget the exact date—that parliament should pass an act even though it might be of doubtful constitutional value, which would provide an argument to the federal government in the matter of disallowance. Mr. Ilsley dealt with that point, and suggested that it would be politically immoral for parliament to pass something knowing it to be unconstitutional, just as it was politically wrong for the Bennett administration between 1930 and 1935 to pass acts which Mr. Bennett, great lawyer that he was, certainly must have known were ultra vires of the parliament of Canada.

But that is not what the Prime Minister had in mind. He had no such doubt when, as the Leader of the Opposition reminded us, he said on May 16, 1947, as found on page 3152 of *Hansard*:

> Those were the political freedoms that I would have placed in a bill of rights. In addition to those, would, of course, be social freedoms—

These are the words of the Prime Minister.

> —if I may call them such, assuring educational, property and social security rights.

We are not asking for educational or property rights, but we are asking in this amendment for the recognition of social security rights, and we are using as one of our arguments the very recommendation made to parliament by the Prime Minister. For these reasons and those stated by the hon. member for Maisonneuve-Rosemont and the Leader of the Opposition, I would hope there would be a recognition by the government that in this, the twentieth century, when the character of our industrial society is such as to make it urgent on the part of authority to provide for the needy through measures of this kind, this should be done, and that there will be no hesitation in doing so. In the light of these reasons I ask the Prime Minister to accept this amendment.

Mr. Diefenbaker: Mr. Chairman, may I simply reiterate what the Minister of Justice has already said, that all these matters to which reference has been made by the hon. member for Essex East and the Leader of the Opposition are matters which, in the normal course of events, would be included if this bill of rights were to cover not only those matters of legislation that come within the federal responsibility but also within that of the provinces. So there would be no doubt on that question I asked the government of that day to submit a draft bill of rights to the Supreme Court of Canada with a view to having the question determined as to which of these freedoms or rights came within the jurisdiction and authority of the federal parliament.

They should not have been averse to doing that. As the hon. member for Essex East has mentioned, legislation was placed on the statute books during the period of office of Right Hon. R. B. Bennett covering unemployment insurance, minimum wages and various other matters.

Mr. Martin (Essex East): All the social legislation was ultra vires.

Mr. Diefenbaker: The hon. member had, of course, a long and intimate friendship with the late Mr. Bennett, and he certainly would not suggest that Mr. Bennett was not sincere in having secured the opinion of the law officers of the crown to the effect—

Mr. Martin (Essex East): Does my hon. friend want me to deal with that?

Mr. Diefenbaker: Well, because of the friendship that existed between Mr. Bennett and the hon. member I know the hon. member would not suggest that Mr. Bennett was not sincere. Mr. Bennett submitted the question of what was within the legislative authority of parliament, and legislation was passed on the basis of the opinions given by the law officers of the crown. When the hon. member speaks of how directly the people of Canada owe a debt of gratitude for social security legislation to the party to which he belongs, may I point out that the very first thing the King administration did in 1935, having achieved office, was to have this legislation submitted to the Supreme Court of Canada—

Mr. Martin (Essex East): That is right.

Mr. Diefenbaker: —with a view to determining whether or not it was lawful.

Mr. Martin (Essex East): And the court decided that it was not.

Mr. Diefenbaker: A great deal of social security legislation was submitted. I have the various references here. There was a reference of the Natural Products Marketing Act. There was a reference of the question of legislative jurisdiction to enact the employment and social insurance act. Mr. Bennett brought in unemployment insurance, and that was submitted to the Supreme Court of Canada to determine whether or not parliament had the authority to pass such legislation, as were several other matters such as the weekly hours and industrial undertakings act, the limitation of hours act, and so on. I am not going through the entire ambit of those submissions.

However, I do point out this fact; that the Bennett government placed this legislation on the statute books, and when the King administration came into power the first thing they did was to submit the whole question to the Supreme Court of Canada to ascertain whether or not this beneficial legislation was within the legislative authority of parliament. At that time Mr. Bennett passed legislation which the courts subsequently decided was not within the legislative competence of parliament. The King administration appointed counsel, and it has never been denied that those counsel were directed not to argue in respect of the legislative competence of parliament to do these things but rather to take the reverse attitude.

I am going now to refer to the various statements I have made in this connection. My hon. friends opposite keep referring to what I stated on May 6, 1947, and I am going to read the entire reference to the suggestions I made at that time in connection with a bill of rights. On page 3152 of *Hansard* for that date we find this:

> When this session opened I placed a resolution on the order paper; but private members' days have been, to all intents and purposes, non-existent this session, and the resolution will not

come up for discussion. I drafted a bill of rights in order to give a lead in this regard so that a committee would have something upon which to base discussion of the subject, but I did not introduce it because of my desire to secure joint action on the part of all parties in this house.

This was in 1947, and I did not endeavour to monopolize the subject, a position that could not be taken by any hon. member with a sense of responsibility, but tried to secure joint action and joint support. I continue the quotation:

This is not a political or partisan matter. It is one that, in order that success may be achieved, must have the support and co-operation of hon. members in all parts of this house and in the provinces of this dominion. The bill of rights I had drafted would have provided the assurance to Canadians, without regard to race or creed, of the following freedoms:

1. Freedom of religion.
2. Freedom of speech.
3. Freedom of assembly.
4. Freedom from wrongful interference by the state; and by that I mean freedom from unreasonable interference with person, home, reputation, activities and property of the individual.
5. Freedom from arbitrary detention and in particular that habeas corpus shall not be suspended or abrogated except by parliament.
6. The right of everyone to have his case determined without undue delay and assuring everyone required to give evidence before any tribunal or commission the preservation of all constitutional safeguards and, above all, the right of the individual to be represented by counsel...
7. The right of equal protection for all against arbitrary discrimination in the provisions and applications of law because of race, religion or any other reason.

It was 13 years ago that these suggestions made in paragraphs 1 to 7 were outlined, and today they are embodied in this bill of rights, so there has not been any change of attitude. Then I went on to say this:

Those were the political freedoms that I would have placed in a bill of rights. In addition to those, there would, of course, be social freedoms, if I may call them such, assuring educational, property and social security rights.

Education is exclusively within the jurisdiction of the provinces, and property within a province is exclusively within the jurisdiction of the province. Then I went on to advocate that there should be a submission to the Supreme Court of Canada—

Mr. Martin (Essex East): May I ask the Prime Minister a question?

Mr. Diefenbaker: Just let me conclude this point, and then I will give an answer. In 1952, on March 24, at page 714, I moved a resolution and I should like again to point out the elements of that resolution. It reads as follows:

That, in the opinion of this house, immediate consideration should be given to the advisability of introducing a bill or declaration of rights to assure amongst other rights:

1. Freedom of religion, freedom of speech, freedom of the press and of radio;

Today radio is not included, because since then freedom of the press has been defined as including freedom of the means of expression through the instrumentality of the radio. I continue to read:

2. That habeas corpus shall not be abrogated or suspended except by parliament;
3. That no one shall be deprived of liberty or property without due process of law, and in no case by order in council;
4. That no tribunal or commission shall have the power to compel the giving of evidence by anyone who is denied counsel or other constitutional safeguards.

Then I said this as part of that motion:

And that as a preliminary step the government should consider the advisability of submitting for the opinion of the Supreme Court of Canada the question as to the degree to which fundamental freedoms of religion, speech and of the press and the preservation of the constitutional rights of the individual are matters of federal or provincial jurisdiction.

There was a considerable amount of discussion on this motion, and finally Mr. Harris, then the minister of citizenship and immigration, moved the adjournment of the debate. He pointed out that the minister of justice was most anxious to take part in that debate, and the result was that the yeas and nays were called and with the government members voting solidly, the matter was blocked so far as that session was concerned.

I am not going to review all the other examples of similar motions which I moved on other occasions. In other words, sir, everything that is embodied today in the bill of rights now before this committee was, in general and even in particular, advocated by me throughout the years in the form of motions and amendments. I even went further than that and on March 24, 1952, moved a motion which I think I ought to place on the record as well in order to answer the arguments which are being advanced. On that date, after introducing the resolution, I decided to bring before the house a draft declaration. I did that at page 719 of *Hansard* for that year, and I think it is well to have this recorded. It reads:

I have been asked what terms would be put into a bill of rights or into a declaration of freedom. I realize the difficulties of draftsmanship. Those who drafted the first ten amendments to the United States constitution took several years. Since that time we have had an example in the difficulty of the United Nations. Incidentally some three years ago a declaration of human freedoms was agreed on but as yet has not been brought before parliament. In the representations made to the committee in the other place, which committee was presided over with distinction by Senator Roebuck, some recommendations as to terms were made. I shall read a draft declaration of rights which I believe represents, in general, most of the principles to be embodied in such a bill of rights.

I have used as a base the draft declaration from the Senate committee, and have altered, added to or deleted some of its terms. I suggest

these as a basis upon which Canadians might consider the drafting of a Canadian bill of rights or declaration of rights:

Article 1

Everyone has the right to life, liberty and the security of person.

Article 2

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

Article 3

Everyone has the right to recognition throughout Canada as a person before the law.

Article 4

All are equal before the law and are entitled without any discrimination to equal protection of the law.

Article 5

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

Article 6

(1) No person shall be subjected to arbitrary arrest, detention or exile.
(2) Any person who is arrested or detained shall be promptly informed of the reasons for the arrest or detention and be entitled to a fair hearing within a reasonable time or to release.
(3) No one shall be denied the right to reasonable bail without just cause.
(4) No tribunal, royal commission, board or state official shall have the right to compel anyone to give evidence who is denied counsel or other constitutional safeguards.

Article 7

Every person who is deprived of his liberty by arrest or detention shall have an effective remedy in the nature of habeas corpus by which the lawfulness of his detention shall be decided speedily by a court and his release ordered if the detention is not lawful. Habeas corpus shall not be abridged, suspended or abrogated except by parliament.

Article 8

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

Article 9

Every person is entitled to all the rights and freedoms herein set forth without distinction of any kind such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.

Article 10

Any person whose rights or freedoms as herein set forth have been violated may apply for relief on notice of motion to the supreme or superior court of the province in which the violation occurred.

Finally article 11, and these were all of the articles:

Article 11

The above articles shall not be deemed to abridge or exclude any rights or freedoms to which any person is otherwise entitled.

I simply point out this fact, that the suggested bills of rights that I brought before the house covered those political and constitutional rights. In so far as the rights of education or property within the province were concerned, those were matters which would naturally be included in any bill of rights national in scope, providing the provinces were willing to abrogate or permit any control over their exclusive jurisdiction in this regard.

I simply point out that fact, and I have nothing to withdraw through those years in what I advanced to the house; for all the things that are embodied in those successive resolutions, motions or draft bills of rights are today embodied in the one now before the house.

Some hon. Members: Hear, hear.

Mr. Herridge: Mr. Chairman, the members of this group have listened with great interest to the arguments put forward by the Prime Minister, the member for Essex East and other members of the official opposition with respect to this amendment.

I rise to state briefly the position of this party with respect to the amendment. First of all, Mr. Chairman, I want to emphasize that this group has always stood for principles and the proposals of the order mentioned in this amendment. Our record in that respect is untarnished and unblemished; in fact we are almost above the battle.

However, I listened carefully to the hon. member for Essex East make his eloquent argument in support of his amendment. Then when I thought of the attitude of the previous government toward giving effect to the declaration of human rights adopted by the human rights commission, and the Liberal government's concern at that time with provincial rights, responsibilities and jurisdictions. Then I perused *Hansard* of recent years and noted the references therein to this question which has been of interest to this house for a number of years, in which debates the Prime Minister and other members have taken an active part. Thus on recollection, Mr. Chairman, I cannot but come to the opinion that there is a measure of hypocrisy on the part of the official opposition in the introduction of this amendment.

Some hon. Members: Hear, hear.

Mr. Herridge: There is also a degree of humbug and there is a complete loss of memory, temporarily, as to the history of the past with respect to this question. When we note the attitude of the previous government to these questions that I have mentioned, and then see the official opposition introducing what I would term simply plagiarised versions of the United Nations declaration of human rights, I cannot but help come to that conclusion. I do rise to say this because our record is untarnished and unblemished,

and we have always stood for these principles, whether we were in office or out of office.

We in this group intend to support this amendment in all sincerity, because our conscience is clear as to what we have said and done in the years gone by.

Some hon. Members: Question.

Mr. Pearson: Mr. Chairman, the hon. gentleman who has just spoken talked about hypocrisy and humbug, and said that the record of his party is untarnished in respect of this matter now before the committee. I would ask the hon. gentleman, who has asserted such virtue in this matter on behalf of his party, what was their record when this question was before the special committee? When the fight was taken up in the special committee for the inclusion of these economic rights in this bill, what was their record there? It was no record at all; they took no part in the discussion. They did not turn up, yet they went on last night, at the beginning of the committee of the whole, to get an amendment at once which they had not fought for or even introduced in the standing committee at all.

Some hon. Members: Hear, hear.

Mr. Herridge: Mr. Chairman, I should explain that the member for Assiniboia was appointed to that committee—

Mr. Pearson: He was not there.

Mr. Herridge: He was only able to attend a few meetings, owing to his required attendance at other very important occasions and events.

Mr. Martin (Essex East): Mr. Chairman, as a member of that committee I was a little surprised when I heard the hon. member for Kootenay West speak. He is a gentleman and we all have high respect for him, but as he ages and mellows he seems to become more and more Tory-minded in every particular.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I am sure that the reaction to the hon. member's remarks brings him comfort and satisfaction; comfort from the Tory benches, who welcome this continual exhibition of support that he gives day by day, one day to the Secretary of State for External Affairs and now to the Prime Minister. If I did not know the hon. gentleman I would be inclined to think that as he gets older he is hoping to leave this house and enjoy the security and comfort of another place, and that the way to achieve this he seems to think is by convincing hon. gentlemen opposite that he is closer and closer to their ideology.

An hon. Member: At least we have an ideology.

Mr. Martin (Essex East): The fact is that notwithstanding what may be the hon. gentleman's sincerity in these matters, when these amendments involving social security and the other rights contained in the declaration of human rights were being discussed in the committee, there was not one representative of the C.C.F. party present. I recognize that the temporary leader, who hopes to acquire permanency in that office, has great obligations; but there was no reason, particularly in view of the concern felt for these matters among the C.C.F. party, why the hon. member for Kootenay West could not have come in and shown at least an academic interest. The hon. member for Greenwood, who has long been a champion of civil liberties, was not a member of this committee, but so important did he feel this subject to be that he came in on his own, and so perspicacious were his remarks that we created him *amicus curiae* and gave him the right to put questions to the witnesses.

I hope that since the C.C.F. has not taken any initiative whatever in this respect it will not put obstacles in our path in seeking to obtain recognition by this reactionary government of the kind of rights in the realm of social welfare needed in the twentieth century.

I turn now to some remarks made by the Prime Minister as to the importance of history. It is important that history be correctly stated. If the words of the Prime Minister should go unchallenged they will one day be quoted by—what is the name of the gentleman in Bracken House?—Mr. Grosart as a statement of historical fact. Unless they are challenged—and even that does not preclude the possibility of their being asserted as historical fact—that will be the case, and one must do what one can to protect oneself against the ingenuity of Mr. Grosart.

Mr. Fulton: You are really worried about him.

Mr. Martin (Essex East): I am not worried at all, but I have such a love of history that I wish to have the record correctly stated. The Prime Minister seeks to disarm me by referring, I think for the third time, to the fact that as a young man I had the privilege of knowing Mr. Bennett. I hope he does not wish to imply by that suggestion that at that time I shared Conservative opinions. I assure the right hon. gentleman that unlike the Prime

Minister I was born a Liberal, I continued a Liberal and have always been a Liberal.

An hon. Member: Born blind and stayed blind.

Mr. Martin (Essex East): At one time the Prime Minister did have Liberal propensities and Liberal convictions, for which I congratulate him. The fact that I did know Mr. Bennett does not have anything to do in any way with the facts as misstated by the Prime Minister. The hon. member for Greenwood knows this better than any man in this house, because it was in his house that I first saw the so-called new deal legislation which was put forward by the Conservative party in the dying days of office, in 1934 and 1935; legislation which had been prepared by Mr. Bill Herridge of Ottawa; legislation which was modelled on the Roosevelt new deal and legislation which on the face of it was so obviously ultra vires as to make even those who were non-legal recognize its clearly unconstitutional nature.

Mr. Diefenbaker: May I ask the hon. gentleman a question? If it were so clear, how is it that Chief Justice Duff and Mr. Justice Davis in the Supreme Court of Canada held that unemployment insurance was within the jurisdiction of the federal government?

Mr. Martin (Essex East): The applause of hon. members opposite does not settle a legal point. The fact is that Chief Justice Duff never made such an assertion. The Prime Minister must contain himself. He must be serene. He has been very calm all morning, and I do not want him to lose that calm. What happened was this. Having gone through four years of office, during those dying days they proposed to resolve their problems by blasting their way into the markets of the world—

An hon. Member: That had nothing to do with it.

Mr. Martin (Essex East): It has everything to do with it, if the hon. member would try to follow though that may be difficult. Mr. Bennett put forward certain new deal legislation including proposals for unemployment insurance. Now, unemployment insurance requires the imposition, by the legislative body that enacts it, of levies on employers and individuals by way of compulsory contributions. It was clearly ultra vires of this parliament to propose such a measure, because it clearly came within the provisions of section 92 of the British North America Act. Mr. King and the Liberal members of that day, than whom no one has done more for social welfare—

Some hon. Members: Oh, oh.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): —pointed out to the government of the day that the legislation was clearly ultra vires. The Prime Minister asks me whether I say that Mr. Bennett was not sincere. I say to the Prime Minister that Mr. Bennett at that time knew that the legislation could not stand the rigours of the law; and if the Prime Minister wants to know why I say this, Mr. Bennett acknowledged that very fact to me in this very house.

An hon. Member: Where is your proof.

Mr. Martin (Essex East): He did, and it is so clear, because it went to the supreme court. The Liberals came back in 1935, as we are coming back in 1961 or 1962, and the first thing the government did—Mr. Chairman, I call attention to the continuous obligation of hon. gentlemen to my left who, while we are discussing a bill of rights—let this be on the record—seek to obstruct us in our duties of opposition.

I say the Liberal government referred the matter to the Supreme Court of Canada. The supreme court gave a judgment which was obvious, namely that these social welfare matters were all ultra vires. That is the record. Thus Mr. Bennett, fine and great Canadian citizen that he was, cannot go down in history as the author of legislation in the field of social welfare, because the Supreme Court of Canada said that the legislation he had introduced was outside the competence of parliament, and I say that when it was introduced the government knew it was outside that competence. The hon. member for Greenwood knows whereof I speak.

What did the Liberal government then do? Realizing that it could not pass such a measure without a constitutional amendment, they called the provinces together. There was difficulty in getting agreement, but that government was able in the course of four and a half years to get the provinces to agree to give the federal government the necessary power, by way of constitutional amendment in order to provide for unemployment insurance.

An hon. Member: Just before an election.

Mr. Martin (Essex East): It was not just before an election. It was four years before an election.

An hon. Member: What about the family allowance?

Mr. Martin (Essex East): I am going to deal with family allowances, since the hon. member reminds me of it.

Mr. Chevrier: Your party has a bad record in that respect.

Mr. Martin (Essex East): Yes, your party was opposed to family allowances. It opposed them, but as a result of the action taken by the Liberal government these were nevertheless placed in the statutes of Canada. The Unemployment Insurance Act was introduced by the then hon. member for Essex West, the late Hon. Norman McLarty, the minister of labour in the Mackenzie King government. I mention this because it stands as a monument to his efforts. Then followed all the other social welfare legislation.

The Prime Minister, I know, contrives, but there is no bit of contrivance he can possibly muster that will justify his saying that the Tory party at any time in history has put on the statute books of our country social welfare legislation that stood the test of law. Any social welfare legislation put on the statute books of this country by a Conservative government was by way of amendments to acts introduced by governments under Laurier, Mackenzie King and St. Laurent.

I want the Prime Minister to know that no one is trying to take away from him the extent of his authorship of this measure.

Mr. Small: You are certainly working hard at it.

Mr. Martin (Essex East): The Prime Minister seems to protest too much. We know he brought forward a proposed bill of rights in the various years. We know all that. We know he recommended that in the bill of rights there should be provisions for social welfare, just as we are now proposing in this amendment. We know all that. But the Prime Minister's long dissertation, his *apologia pro vita sua* this morning, was intended only for one purpose, and that was to divert the attention of this committee from the amendment now before it. That amendment says that there should be in the bill of rights the following right:

> The right of the individual to social security and his entitlement to realize the economic, social and cultural activities indispensable for his dignity and the free development of his personality.

That is the amendment before the committee. That is the very kind of amendment which the Prime Minister proposed himself. In the face of that, how can the Prime Minister refuse to accept this amendment when clearly it does not involve anything—

Mr. Spencer: You are right.

Mr. Martin (Essex East): —that affects the competence of this parliament. The hon. member for Essex West says I am right. The hon. member thereby disposes of the validity of the argument that family allowances, old age pensions, unemployment insurance—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Day by day we witness increasing efforts on the part of hon. members opposite—

Mr. Spencer: Mr. Chairman, on a point of order, the hon. member for Essex East surely must know that my remark had no relation to what he has now ascribed to it. As I recall the hon. member's words, he said that this amendment meant nothing, and with that statement I agreed.

Mr. Martin (Essex East): My hon. friend says that this amendment means nothing—

Mr. Fulton: You said it.

Some hon. Members: That is what you said.

Mr. Martin (Essex East): Well, just let us see what the amendment says. It reads:

> The right of the individual to social security and his entitlement to realize the economic, social and cultural activities indispensable for his dignity and the free development of his personality.

Mr. Morton: You twisted it. Twister.

Mr. Martin (Essex East): The hon. member for Maisonneuve-Rosemont, who moved this amendment, and all those in this party, a party that has done so much to bring about social welfare programs on federal account in Canada, say that this does mean something, and we ask the government to support the amendment.

Mr. Diefenbaker: Mr. Chairman, I do not intend to unnecessarily prolong the discussion. I am sure the hon. member who has just spoken, if he was as correct with respect to other things as he was incorrect in stating what happened in the Supreme Court of Canada, would be very correct indeed. The record can only be complete if I place on the record what took place.

The hon. member stated that all the legislation of a social nature that Mr. Bennett introduced was declared ultra vires by the supreme court. Those were the hon. member's words only a few moments ago. It is easy to quote someone who is dead. Even the hon. gentleman will recognize that quoting the dead does not permit much challenge, and one does not have to be a seer in order to quote the dead.

Mr. Martin (Essex East): Ask the hon. member for Greenwood.

Mr. Diefenbaker: The hon. member said that Mr. Bennett knew that this legislation was not within the competence of parliament. I pointed out to him that in the Supreme Court of Canada, in the matter of the reference as to the legislative jurisdiction to enact unemployment and social insurance, two

great judges out of five declared that the legislation was within the competence of parliament; the chief justice of Canada, Hon. Lyman Duff, and the late Mr. Justice Davis. Two outstanding judges of the five declared that it was within the competence of parliament. Apparently the hon. gentleman had forgotten that fact.

The hon. member also made the general reference that none of the legislation was held to be within the competence of parliament. The Farmers' Creditors Arrangement Act, one of those measures, was found to be within the competence of parliament by the Supreme Court of Canada. The Natural Products Marketing Act—

Mr. Martin (Essex East): What about social welfare measures?

Mr. Diefenbaker: —was unanimously declared to be ultra vires of the parliament of Canada. I thought I should point out these facts. The hon. gentleman cannot deny the competence, the capacity and the wisdom of the late Chief Justice Duff and the late Mr. Justice Davis, who declared that this was within the competence of parliament.

Some hon. Members: Question.

Amendment (Mr. Deschatelets) negatived: Yeas, 19; nays, 60.

Mr. Martin (Essex East): Mr. Chairman, I move, seconded by the hon. member for Maisonneuve-Rosemont, that clause 1 be amended as follows:

That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b):

"The right of the individual to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity and supplemented, if necessary, by other means of social protection and that the remaining paragraphs be relettered accordingly."

This takes into account the declaration in the preamble that we are dealing with matters coming within federal competence. It takes into account the desirability of a minimum wage for those who are engaged in occupations that come within the clear competence of parliament. I refer the committee to the very excellent statement by the hon. member for Fort William at page 661 of the evidence, and to the observations made by the hon. member for Humber-St. George's, which will be found at page 665. Then, to add to these precedents, I refer the committee to the observations made by the Prime Minister when he spoke in proposing his bill of rights.

Mr. Fulton: I rise on a point of order, Mr. Chairman. I put it to you that this amendment seeks to revive a debate that has already taken place; it seeks to reopen a decision of the committee taken yesterday. I think you will agree that this amendment is similar to the amendment moved by the hon. member for Assiniboia, who sought to insert as paragraph (c) a provision covering the right to employment at fair and reasonable rates. I think that was the wording of the amendment. I submit to you that the intent and effect of that amendment were exactly the same as the amendment now proposed to be moved by the hon. member for Essex East, and I suggest to you, therefore, that under the rules this amendment is clearly out of order and any discussion of it would also be clearly out of order.

Mr. Deschatelets: I have listened to the points made by the Minister of Justice, and I would remind him that in this amendment we refer to just and favourable remuneration for each individual, assuring for himself and his family an existence which is worthy of human dignity. The minister will recall that in the amendment that was moved last night there was no reference at all to the fact that the family was involved; in this amendment the phrase goes much further. There is no similarity in any way with the amendment before us.

Mr. Fulton: In reply to that, I now have before me the amendment moved by the hon. member for Assiniboia, and it proposed to add the words "employment at a fair and equitable remuneration". This suggested amendment is one which proposes to add the words, "the right of the individual to just and favourable remuneration". I submit to you that by no twist of any argument can it be urged that the words "fair and equitable remuneration" do not embrace exactly the same proposition as the words "just and favourable remuneration".

It is true that in the present amendment something else is dependent from the words "just and favourable remuneration", namely "ensuring for himself and his family", and so forth. But these words have no significance unless they depend on the earlier words "just and favourable remuneration"; therefore the core, the key of this amendment is these words, and they raise an issue exactly similar to the issue raised in the amendment moved by the hon. member for Assiniboia. It is on these grounds that I submit the amendment is out of order.

The Chairman: I must say that when the amendment was moved I immediately thought it might be contrary to citation 406 of Beauchesne's Parliamentary Rules and Forms. I may also say that not only does it repeat in part the amendment moved by the hon. member for Assiniboia, but it also has some resemblance to the amendment which has

just been defeated, which made reference to social security and social protection.

Mr. Martin (Essex East): No connection at all.

The Chairman: There is also the amendment which was moved yesterday concerning the rights of the family. I would think if this amendment were allowed it would include three amendments already defeated. For this reason I consider that the discussion on the amendment would simply be repetitive and that therefore the amendment is out of order.

Mr. Martin (Essex East): With great respect, I do not agree with your ruling but we accept it.

Mr. Badanai: A small part of clause 1 of this bill sums up in a few short phrases the struggle and success of many years for the attainment of justice. Well, justice by itself is not enough. In the solemn coronation ceremony the symbols of justice and of mercy are borne side by side, and in the coronation oath the sovereign makes a solemn promise that justice shall always be tempered with mercy. The amendment I am about to propose is actually a recognition of the historic fact that within so short a time as the lives of many of the members of this house, justice has become also a matter of welfare.

The other point in respect to this amendment is nothing more than a recognition that we are all getting older every day, and that applies to all members on both sides of the house. We know that old age is a burden on many of us and inevitably calls for assistance, and we wish that burden to be lightened by a contribution from those who still possess full health and strength to bear it. That is the substance of the amendment which I am now moving, seconded by the hon. member for Humber-St. George's:

> That clause 1 be amended as follows:
> That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b):
> "The right of the individual to a standard of living adequate for the health and well-being of himself and his family and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his or her control."

The Chairman: I think I should call it one o'clock, unless the committee desires to continue.

Mr. Chevrier: I suggest that if the committee is willing we have no objection to continuing.

Some hon. Members: Agreed.

The Chairman: Is it the unanimous consent of the committee to continue?

Some hon. Members: Agreed.

Mr. Badanai: Mr. Chairman, the Minister of Justice has been very reluctant to approve of any particularization in the clauses, outlining human rights in simple language. As an example, I should like to show that the New Zealand bill of rights contains the following clause which I wish to quote, namely article 22 of the universal declaration of human rights, which is fully particularized and which is an example for our own bill of rights:

> "Everyone, as a member of society, has the right to social security and is entitled to realization through national effort and international co-operation and in accordance with the organization and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality."
>
> This right is intimately associated with other provisions of the declaration—provisions which affirm the right to an adequate standard of living, to education, to choice of employment, and to rest and leisure. It is also linked closely with those provisions of the declaration which stipulate that the family is entitled to protection by society and the state, and that motherhood and childhood are entitled to special care and assistance.

Therefore I submit, Mr. Chairman, that this particular amendment should be adopted.

The Chairman: With all due deference to the hon. member, I must say I do not see any substantial difference between the amendment he is moving and the previous one or previous ones, if I may make myself clear. In the present case I must say I have no hesitation in ruling the amendment out of order.

Mr. Badanai: On the point of order, Mr. Chairman, this specific amendment refers not only to unemployment but to sickness, disability, widowhood and old age. It is entirely different.

Mr. Fulton: It is all social security.

The Chairman: The much wider term "social security" was used in the previous amendment or amendments, and as I see the matter I really have no hesitation in coming to a decision. I do not think I need any further advice. I rule the amendment out of order.

Mr. Martin (Essex East): Notwithstanding that you do not require advice I think I should like to give you some, because I feel you are so fundamentally wrong that the matter requires further consideration.

The Chairman: The hon. member will realize that I have rendered my decision.

Mr. Martin (Essex East): I am asking permission to speak to the point of order before you make your decision.

The Chairman: I have made it.

Mr. Martin (Essex East): Social security—

Some hon. Members: Order.

Mr. Martin (Essex East): Will you not allow me to make my argument?

The Chairman: The Chair may allow you to make an argument only if the Chair thinks it is necessary. It is in the discretion of the Chair to listen to arguments as long as that is necessary to assist the Chair to reach a decision, but in this case I have already made my decision.

Mr. Pearson: Is the Chairman saying he was justified in making this decision before we had an opportunity to put forward our argument in connection with the point of order?

The Chairman: Yes. The Leader of the Opposition will understand that when the matter has already been debated, on the previous point of order, it is much easier for the Chair to render a second decision for the same reasons as in the previous case.

Mr. Martin (Essex East): Mr. Chairman, I do not want to resort to a procedure that is open to me, but if you do not allow me to make my argument I have no other recourse than to appeal your ruling.

An hon. Member: Blackmail.

The Chairman: The hon. member for Essex East will realize that the Chair cannot accept his argument.

Mr. Martin (Essex East): Well, I appeal your ruling.

Mr. Speaker resumed the chair, and the chairman of the committee made the following report:

The question is an appeal to the house from a decision of the chairman of the committee of the whole as follows:

When Bill No. C-79 was being considered Mr. Badanai moved an amendment as follows:

"That the following paragraph, to be designated paragraph (c), be added after the present paragraph (b):

'The right of the individual to a standard of living adequate for the health and well-being of himself and his family and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his or her control.'

And that the remaining paragraphs be relettered accordingly."

I ruled the amendment out of order on the ground that it was repetitive and raised a question previously decided by the committee, whereupon Mr. Martin (Essex East) appealed to the house from this ruling.

Mr. Speaker put the question as follows:

The question is an appeal to the house from a ruling of the chairman of the committee of the whole as follows:

"When Bill No. C-79 was being considered Mr. Badanai moved an amendment as follows:

[The Chairman.]

"That the following paragraph, to be designated paragraph (c) be added after the present paragraph (b):

'The right of the individual to a standard of living adequate for the health and well-being of himself and his family and the right to security in the event of unemployment, sickness, disability, widowhood, old age, or other lack of livelihood in circumstances beyond his or her control.'

And that the remaining paragraphs be relettered accordingly."

The chairman ruled the amendment out of order on the ground that it was repetitive and raised a question previously decided by the committee, whereupon Mr. Martin (Essex East) appealed to the house from this ruling.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Aiken
Allard
Argue
Asselin
Beech
Bell (Saint John-Albert)
Bigg
Bissonnette
Bourbonnais
Brassard (Chicoutimi)
Brooks
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campeau
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Clancy
Comtois
Crouse
Danforth
Deschambault
Diefenbaker
Dorion
Drysdale
Dubois
English
Fairfield
Fisher
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Fulton
Grafftey
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Harkness
Henderson
Herridge
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jung
Keays
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Latour
Letourneau
Macdonald (Kings)
Macdonnell
MacInnis
MacLean (Queens)
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McIntosh
McLennan
Martel
Martin (Timmins)
Martineau
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morton
Nasserden
Nesbitt
Nugent
O'Hurley
Pallett
Parizeau
Paul
Payne
Pearkes
Peters
Pigeon
Pratt
Rapp
Regier
Regnier
Ricard
Richard (Kamouraska)

Rogers	Tassé
Rompre	Thomas
Rynard	Thrasher
Sevigny	Tremblay
Simpson	Valade
Small	Villeneuve
Smallwood	Walker
Smith (Winnipeg North)	Webb
Southam	Webster
Speakman	Weichel
Spencer	White
Starr	Winch
Stearns	Winkler
Stewart	Wratten—131.

NAYS

Messrs.

Badanai	Habel
Batten	Hellyer
Benidickson	Leduc
Boivin	Lessard
Boulanger	Macnaughton
Bourget	McIlraith
Bourque	McMillan
Cardin	McWilliam
Caron	Martin (Essex East)
Carter	Michaud
Chevrier	Pearson
Crestohl	Racine
Denis	Ratelle
Deschatelets	Roberge
Eudes	Tardif
Forgie	Tucker—32.

Mr. Speaker: I declare the ruling confirmed. It being one o'clock I do now leave the chair.

Mr. Chevrier: It was agreed that we should sit through the lunch hour.

Mr. Speaker: Then the house will now resume the business which was interrupted by the appeal.

And the house having resumed in committee:

Mr. Benidickson: Interesting; minority rights on a bill of rights.

An hon. Member: Two parties joined together.

Mr. Crestohl: I should like to address some questions to the Minister of Justice and ask him to elaborate a little on the freedoms that are contained in clause 1. The minister was at some pains yesterday to explain to the committee that there was a difference between a right and a freedom; that a freedom did not mean there was a licence to do other things. Because his explanation of the difference between a right and a freedom was not quite clear I should like the hon. gentleman to make a statement to the committee—as soon as the minister is interested enough to listen I will carry on, because I am directing myself directly to the minister —and elaborate a little, if he can, on what he means by freedom of religion. If one has freedom of religion does one have also the right to practice religion according to one's own belief and convictions? Will that also give a person the right to celebrate those religious festivals which his religion calls for? What are we to understand by the words "freedom of religion," and what rights are included with this particular freedom? I would like the minister to put this into the record. I am not moving any amendment in connection with it, but I think it is important that the country should know just how far freedom of religion is intended to go.

Mr. Fulton: The question which the hon. member for Cartier has raised is, of course, a very important one, but it is a question in reply to which I know the hon. member would not expect me to be as completely categorical as the terms of his question might seem to require.

The phrase "freedom of religion" is a phrase which has been dealt with by the Supreme Court of Canada, in the Saumur case specifically, and it is a phrase which to my mind connotes the right of a person to worship God in his own way and in accordance with his own conscience. If he does not happen to be one who shares the religious beliefs of the majority in the existence and supremacy of God, he may yet worship whatever supreme being he does believe in in his own way and in accordance with the dictates of his own conscience. This freedom exists to everyone provided that in exercising that right, that freedom, he does not improperly interfere with the rights and freedoms of other people. That is, I think, all I can say.

If any individual feels himself aggrieved in or deprived of that freedom, or unduly limited or prescribed in the exercise of that freedom which, of course, he must exercise in accordance with the law, then he has the right of recourse to the courts, which have dealt with the matter in the Saumur case, and the courts will decide whether his freedom has been improperly abridged.

Clause agreed to.

On clause 2—*Construction of law.*

Mr. Martin (Essex East): I want to deal now with clause 2, and in connection with that clause something which is perhaps legally the most important matter before us.

This bill, declaratory in form, is alleged by some proponents as having the effect of abrogating any existing measures inconsistent with the bill of rights. I have contended, as have other members—and I am not aware that there has been serious dispute concerning this statement—that to the extent this bill goes it is acceptable, but it is unacceptable because it does not abrogate legislation that is inconsistent with it.

The minister argued that the whole of clause 2 had the effect of a legal enactment. That was disputed by some members of the committee and by most of the witnesses who appeared before it, in particular Mr. David Mundell. If we are going to have a bill of rights, we in this Liberal party contend that we should have an effective bill of rights; one that has teeth in it; one that really will protect human rights and fundamental freedoms, and one that will be more than merely declaratory in consequence. We want a bill of rights that will see to it that any inconsistent legislation, which violates any of the provisions of the bill, will be inoperative.

We were referred by many hon. members on second reading to the Immigration Act, to the Lord's Day Act, to the Juvenile Delinquents Act, to the narcotic and drug control act and to other measures which are inconsistent with this bill and which will not cease to be operative in law by the mere passage of this bill in its present form. This was the view taken by the Canadian Bar Association, and by witnesses before the committee. This, of course, was the view taken by Mr. Bora Laskin, who unfortunately was not available as a witness but whose argumentation is so clear as to have warranted the support of all who commented upon it. For these reasons I therefore move, seconded by the hon. member for Maisonneuve-Rosemont:

That lines 11 to 18 be deleted and the following substituted therefor:

"The interpretation act is amended by adding thereto under the heading of "rules of construction" immediately before section 9 thereof, the following section as section 8(A).

'8(A) 1. Every act of the parliament of Canada and every order, rule and regulation thereunder in force at the commencement of this section, and all laws in Canada that are subject to be repealed, abolished or altered by the parliament of Canada in force at the commencement of this section, are hereby amended by repealing or revoking them to the extent that any provision thereof would abrogate, abridge, or authorize the abrogration, abridgement or infringement of any of the rights or freedoms declared to exist in Canada by the Canadian bill of rights.'

'2. No act of the parliament of Canada, passed hereafter, shall, unless it is otherwise expressly stated in it be interpreted to abrogate, abridge or infringe, or to authorize the abrogation, abridgement or infringement of any of the rights or freedoms declared to exist in Canada by the Canadian bill of rights.'

'3. No act, order, rule or regulation or law mentioned in subsection 1, and, unless it is expressly otherwise stated therein, no act hereafter passed, shall be construed or have effect to.' "

Then we deal with the various clauses in the bill. We are face to face with an opportunity of testing exactly how far the government wants to go with this bill. If this bill is passed in its present form, we will be giving to the courts a wide opportunity of judicial legislation, something that we should not do as a legislative body. Our function as a legislature is always to keep within our competence those matters, which are of a legislative character and to the courts we should give only the barest minimum opportunity of judicial law making. That is inherent in our whole system of government.

If we do not accept this amendment or one like it we will be doing what the Canadian Bar Association said we would be doing, that is giving an opportunity for an immeasurable amount of litigation as a result of the uncertainties which will be created. If this bill passes in its present form without this kind of amendment, there will be all sorts of legislation, inconsistent with this bill and which will have to come before parliament at some time, as well as many regulations and orders, all of them inconsistent.

There will be a task imposed on the Minister of Justice and the law officers of the crown the like of which will never have been placed on the Department of Justice. All that can be removed by making it clear in this bill that all acts now in existence and inconsistent with this measure are hereby abrogated. That is what is done in the amendment I have put forward. This is a vital matter.

There is standing in my name on the order paper a proposed amendment to the Expropriation Act. This amendment would cover that. If this bill pases in its present form the Expropriation Act will continue untouched as an abridgment—as it now is—of human rights and fundamental freedom, sought to be protected by this parliament.

Because this matter is important, I should like to refer the committee to what the Canadian Bar Association said on the matter, when Mr. Donald McInnes, dominion vice-president of the Canadian Bar Association and a very distinguished lawyer from Halifax, appeared before the committee. Beginning at the bottom of page 10 of Mr. McInnes' brief we find these words:

These questions point up the major problem of interpretation involved in section 3 of the proposed bill, which sets out rules of construction for legislation enacted by the parliament of Canada or under its authority.

I wish the minister would find it convenient to follow this, because this is really the heart of the whole matter.

Mr. Fulton: The minister finds it convenient to follow and is following.

Mr. Martin (Essex East): I thank the minister. I just wanted to make sure because of its importance. I continue reading from the remarks of Mr. McInnes:

This section is open to two possible interpretations. One is that the words "construed and

applied" are intended to refer to the operative effect of federal legislation, so that an enactment would not be given an effect that denies or abridges any of the rights or freedoms or procedural protections enumerated, that is, that existing enactments would, in effect, be repealed in so far as they directly conflict with the bill of rights. The other interpretation is that a general declaration such as this will not affect existing provisions that are directly contradictory, for had parliament intended to repeal the contradictory provisions it would have done so explicitly. If the latter interpretation prevails, the bill of rights will not substantially modify existing law.

Listen to these words:

It would be a courageous judge who would rule the Lord's Day Act inoperative in a prosecution against a non-Christian member of our community who raised the bill of rights in his defence. Yet if the first interpretation is to prevail it can be argued that whipping and hanging, punishments imposed under our Criminal Code, are intended to be degrading or inhuman and that they must therefore not be imposed if this bill is to be effective. But parliament itself in debate has not yet determined to change our existing law on the imposition or form of capital punishment. Will the Immigration Act be limited by the bill of rights?

He went on to say:

Specific questions such as these illustrate the uncertainty about existing law to which section 3 of the bill gives rise. If Bill No. C-79 is enacted these and many other questions must be answered by the courts. There will be great latitude for judicial law-making. Lawyers generally oppose granting wide discretion to those who must apply the law, even the granting of discretion to our judiciary, for which we have the highest regard. It inevitably introduces, for some time at least, uncertainty into the law. If the bill in its present form is enacted, serious consideration should be given to a thorough review of existing legislation to amend those provisions that may conflict with the bill of rights, not only to restore certainty to the law but to assist the courts in applying this bill.

I submit that this statement by the Canadian Bar Association has to be fully considered. I would remind the committee that this statement by the association was supported by Mr. F. A. Brewin, a distinguished lawyer from Toronto, who will be known to the hon. member for Port Arthur, and this should arouse his sympathy, interest and support. Mr. Brewin said in effect in his communication to the chairman of the bill of rights committee:

The declaration by parliament in general terms could not be said to have the effect of repealing or amending any existing statute which might be thought to be inconsistent with it. Nor in my opinion would it have the effect of preventing parliament in future passing any enactment inconsistent with the bill of rights. The courts would be powerless to give effect to the general provisions of the bill of rights.

My final observation is this. The minister has accepted an amendment put forward by the hon. member for Fort William which suggested that one of the basic legal rights should be incorporated in the bill. It is now incorporated in the bill. I refer to the right of presumption of innocence. We want to make that effective. We mean by that amendment that under the bill of rights an individual subject to the law of Canada is presumed to be innocent until the contrary is proved, the onus resting on the person making the charge. For instance, under our Opium and Narcotic Drug Act there are situations where the presumption of guilt is on the accused. Unless we pass this amendment, or something like it, the putting into paragraph (f) of the presumption of innocence clause will not affect the Opium and Narcotic Drug Act. According to the representations made by the bar association and by others, I believe if the minister wants this bill to be what the government says it is to be, and what this house has declared it should be, this amendment should be accepted.

Mr. Fulton: Mr. Chairman, my hon. friend has produced a good many words in an attempt to support an amendment which has no validity and which would have no effect except to take the protection, which we seek to give, out of the bill of rights and put it in the Interpretation Act. This would be its first and only direct effect.

Mr. Martin (Essex East): Why does the minister say that, when he knows perfectly well it cannot be so? It abrogates all acts.

Mr. Fulton: But my hon. friend does not realize, or refuses to realize, that the words we have in the present bill of rights override all other acts.

Mr. Martin (Essex East): No.

Mr. Fulton: My hon. friend has apparently not read and considered or appreciated the words that are in the bill of rights since we amended it. May I point out to him also that much of what was written and said by the bar association and others was written and said before we amended clause 1.

Mr. Martin (Essex East): No.

Mr. Fulton: My hon. friend says, "Oh, no", but that is the fact. My hon. friend is fond of saying he is a great historian, but he is not. The fact is that we amended clause 3, as it then was, now clause 2 of the bill, in committee after much of what was said and written had been said and written.

Mr. Martin (Essex East): After some.

Mr. Fulton: It is a fact, Mr. Chairman, and all the assertions of my hon. friend cannot change the fact. I know he would like to change the fact by an assertion, but he cannot do that.

Mr. Martin (Essex East): The minister's mere assertion does not change the fact.

Mr. Fulton: We now have a provision in clause 2 which we are considering which reads as follows:

> Every law of Canada shall, unless it is expressly declared by an act of the parliament of Canada that it shall operate notwithstanding the bill of rights, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgment or infringement of any of the rights or freedoms herein recognized and declared, and in particular, no law of Canada shall be construed or applied so as to—

Then follow the subsequent words of clause 2. So it is now clear, even if it was not clear before, that this bill of rights operates as a law, as a rule of construction with respect to every statute of Canada, every law of Canada, unless that law of Canada expressly provides that it shall operate notwithstanding the bill of rights. Nothing could be clearer and nothing, in my opinion, could be more all-embracing; so that all that my hon. friend's amendment does in this respect is to take the protection which we seek to confer by the bill of rights out of the bill of rights and put it in the Interpretation Act, but it is nothing more than a rule of construction as he has drawn his amendment.

I was saying that it is a rule of construction, but it is a rule that he would transfer to the Interpretation Act instead of being left in the bill of rights. If my hon. friend seeks to hinge or to hang any particular argument on his use of the words "hereby amended by repealing or revoking them to the extent that any provision thereof would abrogate, abridge, or authorize the abrogation, abridgment" and so forth, I point out to him that that is a matter for interpretation and construction by the courts.

My hon. friend has not specified the acts which he says would be repealed or with respect to which he says certain provisions would be repealed or revoked by his amendment. The courts would have to interpret the acts that might come before them exactly as they would have to interpret the acts which would come before them by virtue of the provisions now contained in the bill of rights, and they would have to interpret those acts in the light of the words of the bill of rights to decide for themselves whether or not the provisions before them do operate so as to abridge, infringe, or authorize the abrogation, abridgment or infringement of any of the rights or freedoms herein recognized and declared.

Let me suggest to hon. gentlemen opposite that if we were ourselves to embark upon a program of revision of the statutes, for example, to see what specific provisions of which statutes were contrary to the bill of rights, no one could say what specific provisions were or were not actually repealed in whole or in part by the proposed amendments, any more than he could say what statutes would be affected by our present wording. It is only when the enactment comes before the courts that the court acts in accordance with the rule of interpretation laid down, whether it be in the bill of rights or in the proposed amendment, and decides whether or not the statute operates in such a way that it would be contrary to the bill of rights.

Now, what is the position if the courts say that? They find an express legislative enactment of this parliament, as our bill is drawn, which says that every law of Canada shall, unless it is expressly declared by the parliament of Canada that it shall operate notwithstanding the bill of rights, be so construed and applied as not to abrogate, abridge or infringe. They will then have a look at the section or provision in question and say first, does this statute have within it an express declaration that it operates notwithstanding the bill of rights? If the answer to that question be no, it does not contain such an express provision, they would then look at the question of whether or not the provision of the statute which is before them does contravene the bill of rights. If the answer to that question be yes, then they would say, by virtue of the bill of rights we are directed not to give that statute or provision that construction, interpretation or application; in fact, we are directed not to apply it in a manner which will contravene the bill of rights.

Therefore the effect of the provision in our bill of rights is exactly the same as the effect of the provision in the proposed amendment, because under the proposed amendment the courts would have to go through exactly the same process. They would have to say first, is there an express provision in the statute before us that it operates notwithstanding the bill of rights? If the answer to that is no they would then say, Very well, we must then look at it to see whether or not the statute before us contains any provision which operates contrary to the bill of rights. If the answer to that question be yes, they would then interpret this section of the Interpretation Act embraced in the amendment in such a way as to have the effect of repealing or revoking the provisions of the statute before them.

So the process the courts would have to go through is exactly the same. They would have to interpret the statute before them from the point of view of whether or not it contains provisions that are contrary to the bill of rights and, if they found that it did, then by virtue of our bill of rights they would say, We are instructed not to apply

it in that way and accordingly we will not so apply it. If the only provision were the amendment now before us they would have to say, Well, this amendment says that we shall regard this provision of this statute as having been revoked or repealed.

In effect there is no difference whatsoever in the situation under the two alternatives with respect to the process that the courts would have to go through. The protection ultimately rests with the courts and the interpretation they give and the decision they reach as to whether or not the statute then before them contains or does not contain a provision contrary to the bill of rights.

I have said there would be no difference with respect to the process through which the courts would have to go, but there are important differences with respect to ancillary effects of this amendment. One of the most important is that it takes the protection we desire to give out of the bill of rights and puts it in the Interpretation Act. To my mind this is an undesirable effect. We want the bill of rights to be complete and to speak completely with regard to the rights of Canadians and the protection of those rights, and with regard to the instruction, the rule of interpretation, that shall be given to the courts in their application and protection of these rights. We do not want them to be scattered around by transferring them to the Interpretation Act. That would make the bill of rights an incomplete document, and we attach very great importance to enacting a bill of rights as a complete document.

I am not surprised that my hon. friends would seek to take this out of the bill of rights and put it in the Interpretation Act. They have been attacking the bill of rights indirectly all along.

Some hon. Members: Oh, oh.

Mr. Fulton: They do not like the bill of rights, and they have sought by every possible means to weaken it, though never admitting that was their intention. Now they seek to take out of the bill of rights one of the very fundamental purposes of the bill that would empower the courts in the bill of rights itself—

Mr. Martin (Essex East): I hope you are willing to stay here all next week.

Mr. Fulton: —to deal with this matter. I think it is time that the effect of what the opposition has been suggesting all along should be revealed and exposed.

Mr. Pearson: And the bar association.

Mr. Fulton: There is another important difference in effect between our bill and what would be accomplished by the amendment. It is another most undesirable effect that would be accomplished by the amendment. You would weaken the protection that is afforded to the rights of the individual, not just because you would have taken it out of the bill of rights and put it into another statute, which I think in a very proper sense could be described as of lesser importance, but because you would have put it in a statute that parliament would have much less hesitation in amending than it would in amending or overriding the bill of rights. After all, all you would have to say before parliament if you wanted to take away these rights, indirectly and by subterfuge and concealment, would be that it was simply an amendment to the Interpretation Act. I think it is fair to say that probably only lawyers would be interested then. They would be mainly concerned because interpretation acts are understood to be mainly matters of legal import, which are of a technical nature and of concern to lawyers.

But the bill of rights is a statute about which all Canadians will know and whose effects will be dear to their hearts. As a result they will scrutinize any change most carefully and, I believe, from the point of view of being suspicious about what any government tries to do subsequently with the bill of rights. Therefore I am surprised again that my hon. friends, who have placed before us time after time proposals that would weaken the bill of rights, seek in this amendment to further that same objective; because they would place the protection in the Interpretation Act, which could be amended much more readily and with much less public interest and discussion than an amendment to the bill of rights. Indeed, I suggest that their amendment would make it possible to change, by implication, the rule of interpretation which they have in their amendment, because it is just another rule of the Interpretation Act and not made sacrosanct as part of the bill of rights itself.

For all these reasons, but mainly because it changes nothing in effect with respect to the process the courts would have to go through, I am opposed to the amendment. It changes nothing with respect to the processes the courts would have to go through, but it does have a very definite and disadvantageous effect in that it seeks to remove from the bill of rights one of the fundamental protections of the Canadian citizen about which this government are concerned, and we are not prepared to see done by

subterfuge that which my hon. friends opposite are not able to do directly.

Mr. Peters: Mr. Chairman, the minister has said the amendment would mean that the courts would not be able to make the proper decisions, but it would seem to me the amendment means that many of the acts already passed would be found to be defective. The minister asked what acts would need to be corrected. I should think there are many acts that would have to be corrected to bring into effect the purposes of the bill of rights.

If the minister is interested he might take a look at the Feeds Act, which has been mentioned before this session. In ten or eleven instances in that legislation rights that we consider so fundamental are taken away from the individual. Let us take a look at another instance which is much more flagrant. If the minister and the Prime Minister are not interested in correcting statutes that we now have on the statute books, then the bill of rights is only a sham and a farce. Under the Fisheries Act, for instance, inspectors have the right to seize boats and equipment, anything they think may have been used in contravention of the law. The individual concerned is not even given the protection of a warning that anything he may say may be used in evidence against him. In this instance the officials who lay the charges also hear the evidence and pass sentence. There have been many cases where boats have been seized and held for some time and then returned, but there is no recourse for the individual concerned because this is the law.

In the case of the Feeds Act there is the right to search without a warrant. Protection against self-incrimination and against forced confessions is removed, and excessive fines are provided which constitute cruel and inhuman punishment.

Mr. Diefenbaker: Would the hon. member permit a question for purposes of clarification? Is my recollection incorrect that when the Feeds Act amendments were before the house the hon. member expressed approval of these amendments and of that act?

Mr. Peters: Yes, Mr. Chairman, that is perfectly true. It is a fair question to ask, but I am not a lawyer. I am not familiar with the fine points of the law or the interpretation of the law.

Mr. Martin (Essex East): It is not the point you are making, anyway.

Mr. Peters: We have had legal advice from the people who are administering this particular legislation. I should like to refer to some of the sections that we would like to see strengthened. The Prime Minister is a very capable lawyer, with a long history in law, and he must recognize that these are facts. In Canada we have given protection to animals, and we have given the officials concerned with animals more power than we have given to those officials who are dealing with human beings.

The bill of rights gives security in the enjoyment of property and the right not to be deprived thereof except by due process of law. However, section 7 (1) (a) of the Feeds Act empowers a government inspector, who may be any person designated by the Minister of Agriculture—this includes political appointees, Mr. Chairman, if the government wants to make appointments for political reasons—to enter private property, search the premises and any private documents and papers therein, and take away samples, all without the process of a search warrant. This power is contrary to clause 2 (a) of the proposed Canadian bill of rights.

Then there is the fact that self-crimination protection has been removed. Sections 7 (1) (b) and 7 (3) of the Feeds Act require a person to give to a government inspector documentary and oral information upon which a criminal charge may be laid against that person. Clause 3 (d) of the proposed bill of rights provides that no act of parliament shall authorize an authority to compel a person to give evidence if that person is denied protection against self-crimination.

Then, too, protection against a coerced confession has been removed. By these subsections parliament abrogates the human right of freedom that a person shall not be coerced to confess. This is so because section 9 makes it an offence for a person to refuse to give written or oral information, or for the person to make a false or misleading written or oral statement, to a government inspector. The penalty for refusing such information or for making a false or misleading statement ranges on summary conviction from a fine of up to $500 to a fine of up to $500 plus up to six months in jail, and upon indictment to a maximum of $2,000 plus one year in jail. In both cases, in addition, there may be confiscation of whatever property the government inspector reasonably believes was used in committing or in relation to committing the offence. Under the threat of such punishment, this parliament has decreed this session that coerced confessions are legal under the Feeds Act. The proposed bill of rights is at variance with this decree in providing in clause 3 (d) that no act of parliament shall deprive a person of a constitutional safeguard against self-crimination.

Mr. Fulton: I am seeking information, and I should like to know whether my hon.

friend is reading from the Feeds Act or from an opinion on the Feeds Act?

Mr. Peters: These are sections taken from the Feeds Act, but I am not actually reading the Feeds Act. I could read the actual sections indicated if the minister wishes. This is an interpretation of what I believe the Feeds Act itself contains.

Now, Mr. Chairman, this cruel and inhuman punishment clause also applies to excessive fines. I may say that earlier this session I raised a point of order when the Prime Minister introduced this bill, not in a facetious way but in a serious manner, because I believed we had already passed a bill this session which would eliminate many of these rights which we propose to give under this bill. However, that matter never came to a decision, and I am not raising it now. We did do some work on this Feeds Act, and it is not by any means the worst of the statutes we have on the statute books in Canada. If the Prime Minister would like to make a detailed examination he can check them himself and he will probably come to a similar conclusion.

I should like to refer to the provisions dealing with arbitrary detention and liberty of the person. Under section 7 (1) (b) and 7 (3) of the Feeds Act an inspector is also empowered to deprive a person of his right not to be arbitrarily detained. Any and every person in the premises must remain at the behest of the inspector and, surrendering the liberty of his person, assist the inspector either by giving information or by physical assistance, as the inspector may require. Well, of course, this would be in contravention of the rights given to the individual under the bill of rights.

I think this amendment which has been suggested is a good amendment, because it would seem to me that the minister would have to give consideration to new legislation that may come before parliament. I would hope, in addition, that the provision would cover government legislation as well as private bills. It appears to me that the clause means that the Minister of Justice is going to look at all new legislation in the light of the provisions contained in the bill of rights. It seems to me that he is going to have to look at the legislation that has been passed already, as well.

It shocked me to hear the Minister of Justice stand up and say that he thinks the courts are going to be able to make decisions because we will have passed this bill of rights. If, for example, a fisherman out on the west coast had a boat loaded with fish and the inspector came aboard to say he was detaining this boat; then a week later, when the fish were all rotten, he said he had not found anything wrong and therefore the fisherman was free to do whatever he liked with the fish, this would be a contravention of the fisherman's rights. However, if the fisherman has to go before a court to say that this action has contravened his rights as guaranteed by the Canadian bill of rights, if he is going to have to fight the case on that basis then my understanding of the purpose of the bill of rights is all wrong.

I feel the Canadian people have the right to assume that they have certain fundamental rights extended to them by this bill, and that no act of parliament is going to take away those rights. Unless we start from that basis, that people have these fundamental rights and that all legislation should be brought into line with our thinking today in so far as a bill of rights is concerned, then we are being very silly. If a man has to go to court and base his case on what is in the bill of rights, then that it not what I have understood the Prime Minister to say this bill of rights means.

The Prime Minister has said that we have certain expressed freedoms, we have certain expressed rights, and that those rights should be a basic part of all legislation in Canada. I am not saying that we should go back more than 20 years to ascertain whether or not these rights are protected in the various legislative measures passed in Canada. Many times a smart lawyer will look back many, many years to find a precedent or a procedure that has not been heard of for a long time, and will use it as a defence. I am not suggesting that we should go back that far to change these laws. However, I do believe we should change those laws that we know are in conflict with the bill of rights.

The immigration laws, Mr. Chairman, are a good example. In some cases we grill people without even giving them the right to counsel. We make deals. The Minister of Citizenship and Immigration has made deals which she has no right to make. She has made these offers to citizens who are outside the law, and which do not allow for due process of law, as the bill of rights says. I have right now, for instance, a case where a citizen of this country for 47 years applies for a passport and has no right whatsoever to go before any court; he has no right, under any existing legislation, to go before the court and be given a reason why he has not been given a passport. The reason, Mr. Chairman, is very simple. This particular gentleman has supported the communist party for a number of years and has gone to a number of communist front organizations. But this organization is not illegal; it is permissible to belong

to it, and this gentleman has a fundamental right to belong to that particular political faith if he so wishes. If the Canadian parliament wishes to outlaw it, then I think this would be a reason. But I do not think it should be prohibited by any officials of the department, who can say, "Sure, you can leave Canada; but we will give you no assurance that you can return, although this has been your home for 47 years and you have done nothing illegal".

These are fundamental rights that should be written into our laws, and they should be changes in the existing legislation and regulations. We should do this without an individual having to go to court with all the expense of fighting these cases on his own. If we are not, as a legislative body, willing to go back and examine the legislation we have on the statute books now, while we are dealing with a bill of rights, then I think we are not really saying that we want a bill of rights. What we seem to want is a bill of rights on paper, but we want to have all the abuses that have been inherent in much of our legislation over the years.

We have another case right now before parliament. It is a case to which the Minister of Justice and the Prime Minister should give some consideration in this respect. One of the special committees is meeting right now discussing whether we have the power, when we ask for an investigation into a situation, to require those people to appear here. We have a man who wishes to appeal in a parliamentary divorce, and we have not the right to subpoena him; we have not the right to give him the protection that is normally given—

Some hon. Members: Order.

The Chairman: Order. The hon. gentleman is dealing with a question of procedure now, and not the bill of rights. I would ask him to please come back to clause 2 of the bill of rights.

Mr. Peters: The Magna Carta many years ago gave a man the right to a fair hearing, and I suggest this is one of the fundamental freedoms that we are now asking for. Yet under legislation and regulations that we have passed and under which we operate, we in this house are not granting to the people who come before us the right of redress. If we are not willing to go back into the legislation and the regulations, it seems to me it is rather a farce for us to have a bill of rights.

I think the sponsor of this bill has agreed that this is going to have to be the case in all forthcoming legislation. The next clause in this bill gives to the minister the right to examine all new legislation and bring it into a fair relationship with the bill of rights, and that all legislation should take—

The Chairman: Order. The hon. member is now on clause 3. We are discussing clause 2. Will he come back to clause 2?

Mr. Peters: Mr. Chairman, perhaps we should add to clause 3—

Mr. Diefenbaker: Mr. Chairman, I think the hon. gentleman should be allowed to continue his argument and indicate the effect of this clause of the bill of rights. I am sure the committee would desire to hear the hon. gentleman.

Mr. Peters: Mr. Chairman, I assumed that it had something to do with the amendment; that the effect of the amendment, if it were passed, would mean that regulations and legislation would be re-examined. I am sure the Prime Minister will agree that there have been regulations over the years that have eliminated many things. In many cases we have come to the position where inspectors and others concerned with the administration of acts have been given broad powers which in many cases have eliminated the due process of law as it could be administered under the bill of rights.

This is the only point I am raising, and I assume it has some relationship to the amendment that is now before us and has been given some consideration in clause 3—that is the only reason I referred to that clause—in relation to future legislation. I think the effect of this amendment would be to extend that examination to legislation that has already been passed. That was the reason I raised it at this particular time.

Mr. Crestohl: Mr. Chairman, in my humble opinion, if this bill of rights is to mean anything, if it is to be at all effective as I am sure the Prime Minister would like it to be, the Minister of Justice should give very serious consideration to the amendment that has been proposed. I am rather surprised to find that there seems to be a contest going on here with the Minister of Justice as to his knowledge of law and the knowledge of law of other people. I have great respect for the knowledge of the Minister of Justice on the law, and he may well be right; but I do not think a serious amendment such as the one now before us should be so lightly and off the cuff discarded and a series of reasons given for it.

I am sure it could have had the very serious contemplation that was given to it by eminent counsel in Canada, by the Canadian Bar Association and by many notable lawyers. I do not want to think the Minister of Justice considers himself the oracle or the repository of all legal opinion; that he is infallible in

interpreting the amendment or in interpreting the law. Surely that is not quite right. Notwithstanding his rather lengthy, detailed and complicated explanation of why he does not accept the amendment, I am not at all sure that I am impressed.

To quote an illustration, under this bill of rights—I feel sure that the Prime Minister will agree with me on this—in clause 2, paragraph (e), no law of Canada shall be construed or applied so as to:

> ... deprive a person of the right to a fair hearing in accordance with the principles of fundamental justice ...

We have, for example, the Immigration Act, section 39, which denies the right of appeal. I only give this to the minister as an illustration. What will be given precedence? Will it be the Immigration Act, when the matter comes before a court, or will it be the bill of rights? The Immigration Act says you have no right of appeal; the bill of rights says you shall not be deprived of the right to a fair hearing in accordance with the principles of fundamental justice.

There are other acts on the statute books which contain sections that say the interpretation of the section shall always be in favour of the government. That could be so, even for those in conflict with the bill of rights. This is a series of such statutes on our statute books, and it is my respectful submission that where there is any doubt as to the proper application of the bill of rights the benefit of the doubt should be given to the people of Canada, not to the interpretation which the Minister of Justice almost unilaterally seems to be giving to it.

I think the amendment which the hon. member for Essex East has presented is the crux of the entire effectiveness of this bill of rights. It safeguards the people of Canada against all the statutes which contain provisions which seem to impinge upon the rights of the individual, which the bill of rights wants to restore. I have great respect for the gentlemen sitting in front of the Minister of Justice. I wonder if they have made a study of this matter. I wonder, if they had had before them this amendment that is now before us, whether they could have presented logical explanations regarding the objections they have to our interpretation.

I think the minister would do the country, and the legislation, a world of good if he would make it possible, in the case of any doubt, to interpret the use, the effectiveness, the feasibility and the practicability of the bill of rights in favour of the people of Canada, or of the person who feels himself aggrieved. That is the very spirit of the act, and I submit respectfully, along with the hon. member for Essex East, that the amendment should be adopted. I think this amendment was wisely conceived and carefully planned. The minister will do himself and the Prime Minister a great injustice if he does not accept it.

Mr. Martin (Essex East): I do not propose to restate my argument. I have stated it, and the hon. member for Cartier has elaborated on it. This is the crux of the matter. The bill depends on its interpretation, either the one the minister gives to it or the one that we have placed on it. This is the clause of the bill that will give substance to the effectiveness of this measure or which will mean that it will have no teeth, no effectiveness whatsoever.

The amendment I have put forward, as the minister knows, is an amendment which was suggested after close consultation with one of the best constitutional lawyers of this country, a man who has had long and distinguished experience in the Department of Justice. The hon. gentleman knows that Mr. Mundell has a place second to no one in the administration of the affairs of justice in this country. He was the one selected by the Canadian bar as chairman of its civil liberties division. He is now professor of constitutional law at Osgoode Hall. However, the minister has taken his position and he must bear the consequences.

I am not going to answer the hon. gentleman's remarks about the purpose we have in mind in putting forward the amendment. The Minister of Justice has a great capacity for facilitating the passage of measures in which he is interested. He uses that biting, friendly, benevolent, carping criticism that seeks in one breath to mollify and in the next to kill; all in the process, of course, of enabling the passage of legislation.

The hon. gentleman may want to reconsider what he has said. Whether he does or not is of no concern to anyone. Suffice it to say this; that as the Prime Minister said of the committee which examined the bill of rights, all members who were present applied themselves seriously to this matter, and that, I may say, includes the Minister of Justice. So when we put forward an amendment, which does not satisfy the great legal attainments of the Minister of Justice we are, of course, accused of seeking to block the measure merely because we do not agree with the man who happens to be Minister of Justice. I would have thought that the Minister of Justice, acting in that capacity, would recognize that on points of law he should take a lofty, objective position and find it possible to disagree without entering into a kind of

argument which possibly would be justified on some other occasion in connection with some other matter.

But, as I say, we will leave the matter there. We shall see next year who is right; whether the Canadian Bar Association is right, with its great accumulation of legal knowledge, or the hon. gentleman, with the vast store of legal equipment that has suddenly descended on him. I ask the hon. gentleman to consider, too, whether the courts are going to interpret existing inconsistent legislation such as the Railway Act, chapter 293; the Pipe Lines Act, chapter 211, sections 28 and 29; the War Measures Act, chapter 288, section 3; the Compensation (Defence) Act; the Canadian National Railways Act; the Canadian Broadcasting Act; the National Harbours Board Act; the national hospital insurance act; the narcotic and drug control act; the Immigration Act; the Lord's Day Act—I ask the Minister of Justice, the lord chancellor, as it were of our country, whether he thinks the Supreme Court of Canada in the light of the way this bill now stands, when confronted with concrete situations, is going to say that a specific act inconsistent with the generality of this measure is to take second place to this bill.

That is the argument of the hon. gentleman. He has made it, and we have provided our answer. All one can do is await the results which will be represented by what will happen in the courts of this land when lawyers resort to this bill of rights as a means of providing defences in criminal cases, or as a means of providing responses in civil cases, all of which could be avoided if the Minister of Justice would accept responsibility and put in this bill language which would clearly have the effect which this amendment provides.

My final observation is this. The minister himself said he wanted the act, for the purpose of public relations and legitimate propaganda, divided so the preamble and sections 1 and 2 would stand by themselves. If the effect of amending the Interpretation Act is as the hon. gentleman says, that effect would be consistent with the declared objective he had in mind. In any event, I am sure the hon. gentleman's legal advisers will tell him, if he does not know already, that the Interpretation Act is the basic statute by which parliament and the executive seeks to deal with abridgements and amendments in cases, where there is a whole series of amendments which cannot be fully dealt with.

That is the gist of the amendment. The hon. gentleman has not accepted it. He prefers to place his own judgment ahead of that of the Canadian Bar Association.

[Mr. Martin (**Essex East**).]

Mr. Fulton: I rise not so much to refute what the hon. member has just said as to give an additional reason why this amendment should not be accepted.

I am not going to enter into a debate with the hon. gentleman from Essex East as to whose attitude in this committee has been more appropriate. I simply remind the committee that the hon. gentleman himself has a peculiar approach to these matters. He seems to believe that the right to reply should be entirely on one side and that it does not matter what sort of argument or in what terms, larded with what undesirable or offensive innuendo, he speaks, those on this side have no right to put forward a contrary point of view. But I shall leave it there. The committee has heard the discussion and the committee will decide upon which side lies the responsibility for any, shall I say, sharp exchanges which may have taken place.

I admit at once that it is desirable in discussions of this kind to keep them on a high plane at all times. I suppose the obligation in that respect does lie a little more on this side than it does on the hon. gentleman, and there I perhaps pay him an indirect compliment when I say he has a facility for rapidly reducing discussion to levels to which perhaps it is desirable it should not descend.

But let us deal with this question, and I shall be glad to deal with it quite objectively. I do not for a moment question the ability of Mr. Mundell, nor do I say that in the mind of the Minister of Justice personally rests this vast store of knowledge that warrants his rejecting this amendment. I say simply that as a result of the best consideration we can give the question we have concluded that the views put forward by the hon. member for Essex East, whether they be his own or not, in this amendment are not acceptable because they do not serve the purpose we have in mind for the bill of rights as we have prepared it. I am not going to repeat my earlier arguments, but I shall add one further argument which substantiates the position I have taken.

If the committee will read carefully the amendment put forward by the hon. member for Essex East, hon. members will find that although it might be operative with respect to statutes it is almost entirely deficient with respect to regulations, rules and orders, whereas our bill of rights by a combination of clause 2 and the interpretation provision in clause 5 will have effect with respect not only to the statutes but with respect to all orders, rules and regulations made thereunder in the future as well as in the past.

If you look at subsection 1 of the amendment you will find that it reads:

> Every act of the parliament of Canada and every order, rule and regulation thereunder in force at the commencement of this section, and all laws in Canada that are subject to be repealed, abolished or altered by the parliament of Canada in force at the commencement of this section, are hereby amended by repealing or revoking them—

Regulations that are in force at this time would, it is true, be affected by the provision as it is drawn but the amendment is deficient because it does not contain a provision to bring regulations hereafter enacted, under its operation. It is true that subsection 2 does refer to "no act of the parliament of Canada passed hereafter" but that omits all reference to regulations or orders, and "act of parliament of Canada" is not a phrase which is included in the definition of law as we have it in the bill. It is by reason of our definition of "law" our bill has application to all orders and regulations made under statute. There is a vital deficiency in the amendment as drawn.

This, it may be argued, is perhaps a technical objection to the amendment, but it is one of importance because it reveals that there is a wide field of statutory orders and regulations which we believe a bill of rights should cover, both past and future, that are omitted from the amendment as submitted by the hon. member for Essex East. Because we want our bill of rights to be effective in all fields we, for that additional reason, have come to the conclusion that the amendment should not be accepted.

Amendment (Mr. Martin, Essex East) negatived: Yeas, 22; nays, 32.

Mr. Denis: Oh, oh. That was close.

Mr. Fulton: Mr. Chairman, at this point I should like to ask the committee to consider an amendment to clause 2 in line 13 thereof, an amendment which would have the effect of inserting the word "Canadian" before the words "bill of rights" so that lines 11 to 13 would read:

> Every law of Canada shall, unless it is expressly declared by an act of the parliament of Canada that it shall operate notwithstanding the Canadian bill of rights—

Mr. Martin (Essex East): I second that motion.

Mr. Fulton: I have not moved it yet.

Mr. Martin (Essex East): You surely do not object to having my becoming the seconder?

Mr. Fulton: No, not at all. I should say briefly to the committee that this was an inadvertent omission from the changes made in the bill when it was in the special committee. I would ask one of my colleagues if he would move the amendment accordingly.

Mr. Brooks: I move:

> That clause 2 be amended by inserting in line 13 thereof the word "Canadian" before the words "bill of rights".

Amendment agreed to.

Mr. Martin (Essex East): Mr. Chairman, I regret that I did not have the opportunity of being associated with the Minister of Veterans Affairs in this motion. He will recall that when the Minister of Justice proposed this amendment I agreed at once to second it. I find it difficult to understand why the minister would not give me that honour. However, the Minister of Justice has followed a narrow course in his interpretations throughout the discussion of this bill, and I suppose one would not expect him to deny that honour to one who at least had spoken up first. I think the amendment is a good one.

What I am about to say is not an answer to what the minister said about the purpose of the present discussion in so far members of the Liberal party are concerned. We prefer to look upon that remark more as a lapse on the part of the Minister of Justice in the highly objective attitude he takes in these matters. It is interesting to note that this important question represents very valuable work on the part of the committee. I wish to refer again to the work done by the hon. member for Vancouver-Kingsway, who more than anyone else extricated all of us, including the Minister of Justice, from the difficulty that was posed in clause 2 (b) as it now appears before the committee. The original bill provided for wording which read as follows:

> —(b) impose or authorize the imposition of torture, or cruel, inhuman or degrading treatment or punishment;

That was the wording of old clause 3(b). The minister took the position in the committee that he could not change that wording because of the effect of the declaration of human rights. He pointed out, and correctly, that these words "torture, cruel, inhuman or degrading treatment or punishment" were incorporated in the declaration of human rights, and that as Canada had joined in that declaration we could not accept something that was less in the bill of rights.

The minister was rather stubborn. He would not give in on that point notwithstanding the representations that were made by members of the Conservative party as well as by Liberal members. It will be recalled that the hon. member for Greenwood who was there, as I say, *amicus curiae*, joined with us in the concern we all felt over this measure.

The hon. member for York-Scarborough, who happened to turn up that day, was accorded the right as an interested hon. member to put questions and make his observations. When it was pointed out to him that the words as contained in the bill as originally proposed would do the very thing which he sought to do in the motion he brought before this house during the course of this session, namely abolish capital punishment, he was, of course, very gratified.

I suspect it was only the presence and the gratification of the hon. member for York-Scarborough that caused the Minister of Justice, realizing the dilemna into which his false logic had put him, to decide to accept the recommendation made by the hon. member for Vancouver-Kingsway, who said that the minister might resort to the wording of the bill of rights in England of the seventeenth century and take out "torture" and "inhuman" and "degrading" and put in the words "cruel and unusual". The result was that the committee was satisfied with the arrangement. The only possible dissatisfaction would be that of the hon. member for Scarborough, who will find that all his efforts this session are not going to be backed up by the wording which the Minister of Justice in his omniscience has now put into paragraph (b). I think we all recognize the contribution made by the hon. member for Vancouver-Kingsway.

I now wish to refer to clause 2 (f) of the bill, where among the most important single rights are those put there as a result of the contribution and recommendation made by the hon. member for Fort William. The hon. member for Fort William is not a lawyer but, like the hon. member for Humber-St. George's, he proved to be a useful member of the committee. It was the hon. member for Fort William who pointed out that the bill left out two very important legal rights, which were referred to in the draft bill of the Ontario bar association and in the declaration on human rights. These two important legal rights are the right to be presumed innocent, placing the onus of proving guilt on those making the charge, and the refusal of reasonable bail without just cause. This is one of the rights declared to be sacrosanct in the declaration on human rights.

Other suggestions were made. Accordingly consideration was given by all members of the committee, including those of this party, to obtain elucidations, particularly in clause 2 (d). I merely mention this to indicate that the changes in this section, as in others, were not all made by the minister; they were changes made as a result of the serious study given to this bill by all members of the committee. By implication I hope the minister will regard this as an answer to the very objective and wholly selfless observations he made half an hour ago.

(Translation):

Mr. Deschatelets: Mr. Chairman, there is a very important right, one that we certainly look upon as fundamental, which we should like to be included here, in clause 2, on page 2, after paragraph (f). I mean the right to free assistance by an interpreter.

There is no need to elaborate on this; several of my colleagues will want to express their views on this matter. But before introducing my amendment, I wish to point out that when we submitted a similar amendment in committee, the Minister of Justice (Mr. Fulton) hesitated a great deal before agreeing to its rejection.

(Text):

At page 694 of the minutes of proceedings and evidence, after the chairman put the motion having to do with free assistance of an interpreter, the minister said:

> Mr. Fulton: May we have this stand over?
>
> The Chairman: Is it agreeable then to have the question stand over?
>
> Mr. Fulton: It is the moment for adjournment, and I do not think our decision should be taken in haste.

Before putting my amendment, Mr. Chairman, I thought it would be a good thing to outline the hesitation on the part of the minister with regard to similar amendments we have moved.

Mr. Brunsden: On a point of order, is the hon. member in order in reviewing the procedure in committee?

Mr. Pearson: He certainly is.

The Chairman: Yes. I ruled yesterday that it was in order to discuss the evidence taken before the committee.

Mr. Deschatelets: I move, seconded by the hon. member for Essex East:

> That clause 2 be amended as follows:
>
> That the paragraph designated (g) be added after present paragraph (f):
>
> "Deprive a person of the right to have the free assistance of an interpreter if he cannot understand or speak the language used in court or before a board or tribunal".

Mr. Chevrier: Mr. Chairman, the amendment which has just been moved by the hon. member for Maisonneuve-Rosemont is one which it seems to me should commend itself to the Minister of Justice and the Prime Minister. While I was not a member of the committee which discussed this matter, I understand that the reason it was not given consideration at the time was that it was felt that there was sufficient protection

under clause 2 (e) and (f) of the bill to meet the position which has been taken in the amendment.

I am going to ask the minister to give consideration to three cases that I should like to put on *Hansard*, together with an interpretation of the British North America Act with which I will deal in a moment. I refer first of all to the case which took place in Eastview recently where a commissioner clearly refused the right of an interpreter in a matter which was under investigation under and by virtue of the municipal act. There was no doubt in the mind of the commissioner that the person who came forward to give evidence should not be entitled to an interpreter. That position was in fact confirmed by the attorney general of the province, although he said if he had been present he would have allowed the particular person to be heard in the language of her choice. However, it is clear that in that case the commissioner hearing the evidence determined that that individual should not be entitled to an interpreter.

I pass from that to the case that was mentioned in the house earlier, namely that of a citizen of Czech origin who also was refused the right to give evidence before a court in his own language. That was dealt with by another hon. member, and I shall not deal with it other than to refer to it generally.

However, there is another case which is famous in the province of Ontario because of the attitude taken by a justice of the supreme court of the province. It involves a criminal case which was heard in eastern Ontario some years ago. A witness came forward and when it was recognized by the court that the person spoke broken English counsel acting on behalf of the accused—this, of course, was not the accused but a witness in the case—suggested than an interpreter be allowed for this individual. The presiding justice peremptorily refused to grant the right to that individual to have an interpreter. Not only did the judge refuse the right of interpretation in that case but, and I was present in the court—

Mr. Diefenbaker: What court was that?

Mr. Chevrier: Unfortunately I do not remember the name of the case.

Mr. Diefenbaker: What court?

Mr. Chevrier: It was the supreme court of Ontario on circuit. I can give the name of the judge but I would rather give it to the Prime Minister later because the judge is now deceased. I was present in the court room and the case received much publicity at the time. When the judge refused permission to this witness in a criminal case to have an interpreter, he lashed out strongly against the witness, and do you know what he said to him? He said that any witness coming before a court in Ontario who did not understand the English language and could not testify in that language should be refused the right to vote. That was said in my presence. Do you know what the sequel to this was? In the great war that followed a son of the individual who was refused the right to testify in his own language gave up his life.

I should like to refer very briefly to two editorials which appeared in *La Presse* of Montreal and *Le Droit* of this city having to do with the case in Eastview. The editorial in *La Presse* is found in the issue of July 28, 1960, and appears under the signature of Roger Champoux. It notes with some surprise that in a municipality where 70 per cent of the population is of French extraction a citizen who sought the right to express herself in her own language was refused that right by the presiding commissioner. I will simply refer to this one statement which appears in the editorial:

(Translation):

Let us overlook the magistrate's lack of ponderation and consider only his lack of judgment. He should have known three things.

(Text):

I come to the third in order to be brief.

(Translation):

The right of a citizen to express himself in his mother tongue is the very first civil liberty that a magistrate is charged precisely to have respected.

(Text):

My translation of that is that the right of a citizen to express himself in his own language is one of the first civil liberties that a magistrate is charged precisely to have respected. I hear somebody saying that this is a matter of provincial jurisdiction, but I said earlier that I want to apply it to the federal jurisdiction, if my friend will only be patient. Then, in *Le Droit*:

(Translation):

Mr. Pigeon: Mr. Chairman, may I ask the hon. member a question?

Mr. Chevrier: Certainly.

Mr. Pigeon: How does he explain that, when the matter of installing a simultaneous interpretation system in the House of Commons was raised, the hon. member for Hull (Mr. Caron) objected?

Mr. Chevrier: Mr. Chairman, I cannot speak for the hon. member for Hull, but I know it was the predecessor of the present member for Joliette-L'Assomption-Montcalm who, for the first time, introduced a resolution in the house recommending the installation of simultaneous interpretation.

Mr. Pigeon: Mr. Chairman, how is it that the hon. member for Laurier and his government failed to act upon the proposal of the former member for Joliette-L'Assomption-Montcalm? Why?

(Text):

Mr. Chevrier: Mr. Chairman, I was dealing with the editorial which appeared in *Le Droit* of July 30, 1960, and which deals with the attitude of the attorney general in this case. I should like to quote a portion of it.

(Translation):

The Toronto official claimed, on that occasion, that the witness had no right at all to speak French; he forbade Mrs. X to use the services of an interpreter.

Mr. Roberts made three points in his reply. "I do not blame Mr. Yates for rejecting Mrs. X's request", he said. "Personally," he added deferentially, "I would have allowed that lady to testify in French; however," he added with conviction, "English is the only official language in Ontario".

(Text):

That brings me to the federal aspect of this whole matter. As members of the committee know, the right to the use of the two official languages in so far as parliament is concerned is to be found in section 133 of the British North America Act, which reads as follows:

Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both these 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 this act, and in or from all or any of the courts of Quebec.

It is clear that under this section the very same thing which happened in the cases I have mentioned could take place under the federal jurisdiction. If a hearing were held before a board which was not a court of federal jurisdiction, if, for instance, a witness was giving evidence before the board of transport commissioners, although I have some doubt there because it has been declared to be a court of record, or before the air transport board or the many commissions which are not covered by this section of the British North America Act, it might well be that the person presiding might take the same attitude as did the judge in the case in eastern Ontario some years ago to which I have referred and the commissioner under the municipal act who has heard and is still hearing evidence in an adjoining community while we in the parliament of Canada are discussing a bill of rights.

So it would seem to me, Mr. Chairman, here is one case where there being doubt,—in fact, where there being no longer any doubt because the commissioner or the person presiding could do exactly as was done in the former cases—that doubt should be removed. It would strike me that there should not be the slightest hesitation on the part of those who sit on the other side to grant the privilege—the right, not the privilege—of being heard in their own language, no matter what that may be.

I understood the Minister of Justice to say that that was covered by (e) and (f), but let me say this. Supposing the commissioner, under a federal board, takes the attitude which I am sure the commissioner in the Eastview case must have taken—when he said, I did give a fair trial to that person; in my opinion it was not unfair to refuse the right to an interpreter. Assuming that is done under a federal board, then that is not a right which an individual has. It then becomes a right which the commissioner or chairman has under the circumstances and that is why it seems to me that this is a reasonable amendment. I should add that it is a matter of custom in certain parts of the province of Ontario to allow an interpreter. I know that in many courts and in many areas where I have appeared immediately a witness states that he or she is unable to speak the English language the judge offers the use of an interpreter. However, this is not a right to which the witness is entitled, certainly not under this bill. I am sure that that is not the intention of the Minister of Justice, knowing him as I do.

It seems from what the hon. member for Maisonneuve-Rosemont said a moment ago that there was some hesitation about this amendment at one time. Perhaps I am wrong about that, and the Minister of Justice will say whether or not that is the case. I have a feeling that there was some hesitation, and if that be so there is every reason why there should have been, particularly in the light of section 133 of the British North America Act and particularly in the light of the repetition of events which has taken place elsewhere, taking place before a board or tribunal under federal jurisdiction. I am sure the Prime Minister would not want that to happen. I am sure that is not the intention of the bill of rights. If it is not put in specifically I do not think it is enough to say that he shall have a fair trial because here it was thought in the hearing in Eastview that a fair trial was being given to this individual, but none the less there was no right granted to the witness to have the evidence given in the language of her choice.

Mr. Diefenbaker: That was not a trial.

Mr. Chevrier: The Prime Minister is quite right; that was not a trial, it was an inquiry within the purview of the municipal act. There might be similar inquiries under federal jurisdiction. I thought of the air

transport board as I went along earlier. There are many, many boards under federal jurisdiction. I could get my directory, and I am sure I could list 30 or 40 of them, if not more, where circumstances such as these could repeat themselves.

I hope that those who sit on the other side of the house will accept what I have said in the sentiment in which it is put forward. It is put forward because I believe that here a right was taken away. This bill, in its clause 2 and all the other particulars that are mentioned therein, will not cover a repetition of a situation such as this under federal jurisdiction.

Mr. Fulton: The hon. member for Laurier is quite correct in his interpretation of what took place in the committee. There was some hesitation in respect to this amendment which was offered there, for the very considerations put forward when the hon. member made the appeal he just made. This is a matter which is obviously one where there would be the greatest hesitation, not only to turn down but even to appear to turn down a suggestion that on its face mentions the right to an interpreter on the part of a person who cannot understand the proceedings before the court.

The point I made in the committee, and on the basis of which I asked for time for consideration, was that in my view the right to an interpreter is covered under subparagraphs (e) and (f) of this clause. I said in the committee, and I am reading from page 693 of the evidence:

> I have no hesitation in saying that to refuse to grant a person the services of an interpreter, if he is unable to understand the language being used in the procedures of the court, is not a fair hearing; I would say it was a grossly unfair hearing, and I make that statement of fact or principle without saying that it is applicable to the case that you have cited—

That was the Eastview case.

> —because I do not know the facts of that case.

I did make the statement of principle that to refuse to allow a person the services of an interpreter if he does not understand the language being used in the proceedings in the court constitutes an unfair hearing. It was because I held that view so strongly that I could not contemplate any reviewing court before which it was established that a person in a court or tribunal below who could not understand the language being used was, nevertheless, refused the services of an interpreter, which would not come immediately to the conclusion it was an unfair hearing, and therefore the bill of rights would apply. They would say this man has been deprived of his right to a fair hearing, and therefore would we find the proceedings below are a nullity. In my opinion that would follow automatically. It was for that reason that I asked for time to consider, to reassure myself or to consider further the question of whether clauses (e) and (f) were a sufficient answer to the request for an amendment.

At that time I came to the conclusion both that it was covered by the clauses and that it was a sufficient answer to the amendment. On reflection, however, I think I should say that while I am still of the view it is covered in the bill as provided, and I am still strongly of that view, I think there is a question about whether that view is a sufficient answer to the suggestion that it might be incorporated in a bill of rights.

Mr. Martin (Essex East): Hear, hear.

Mr. Fulton: For those reasons, although it may be and although it is, I believe, covered in our bill of rights, I must recognize that what I had in mind to some extent might be applicable only when a person appeals to a higher court to review the proceedings below.

I have, therefore, been impressed with the point of view which suggests that since some magistrates or tribunals in the first instance may say, "I am giving a fair hearing", and the person before them will not be able to rely upon the bill of rights as to exactly what a fair hearing is, they may be denied a fair hearing in the first instance and thus compelled to resort to some sort of appeal procedure. Because this point is so important I have been impressed, and I do not mind admitting that it may be second thought, with the argument that we should avoid the possibility that the person concerned may be put to the necessity of appeal; that we should put it in the bill of rights and make it clear to all courts and all tribunals under our authority—

Mr. Martin (Essex East): Hear, hear.

Mr. Fulton: —that the fair hearing involves the provision or the right of the person to have the use and the services of an interpreter if he does not understand—

Some hon. Members: Hear, hear.

Mr. Fulton: —the language before the court.

Mr. Crestohl: What about proceedings from which there is no appeal?

Mr. Fulton: I would say to my hon. friend from Cartier that I think it would be most unlikely that in any instance where a person was deprived of a fair hearing, in this sense, he could not get an appeal or hearing of some sort.

Mr. Crestohl: I was just asking for the minister's opinion.

Mr. Fulton: We will not go into that at the moment. We did pause to consider this matter when it was brought up in the standing committee, and I would still want to pause and consider the terms of the amendment offered here, because I would find some difficulty in accepting it in the terms in which it is offered. I do so for the reason that it does not now, nor did it in the special committee, contain anything which ties the right to the services of the interpreter to a person who is in anyway before the court. It simply says:

> Deprive a person of the right to have the free assistance of an interpreter if he cannot understand or speak the language used in court, or before a board or tribunal.

I recognize this is carrying the argument rather far; but, as I see it, on the basis of that wording a spectator might put forward the argument—and there are eccentrics in the country—and say, "Your bill of rights says a person shall not be deprived of the right to an interpreter if he cannot understand the language used in court; I am here, I cannot understand the language; I demand the right to an interpreter". I know that is not the intention; but I think that in drawing up provisions of the bill of rights we must make sure they do not carry it further than the point to which we want to go; and the point to which we want to go, surely, is to ensure that a person whose rights are in question, whose rights or obligations are in question before the court, shall have it established that he has the right to an interpreter if he does not understand the language being used in the court. To that point we are quite prepared to go, as a result of the reconsideration along the lines that I have outlined here.

There is perhaps a further question with respect to the word "free". I do not want to express any firm opinion on this at the moment. However, the use of the word raises questions as to the obligation to pay for the interpreter, and that would be a matter that would be extremely difficult to embrace within the provisions of this kind of bill. It is my own view that if you establish the right to have an interpreter the court will see to it, without any difficulty, that those services are made available if there should be any question of payment. That is another reason why I find it difficult to accept the amendment as drafted.

We have an amendment here which we have been considering and which I should like to read to the committee. Perhaps there will then be further discussion of the matter and in the course of that discussion there could be further consideration given as to the wording to be ultimately adopted. The amendment here is that there should be added a paragraph, known as (g) as follows:

> (g) deprive a person of the right to the assistance of an interpreter in any proceedings for the determination of his rights or obligations before a court, commission, board or other tribunal, if he does not understand or speak the language in which such proceedings are conducted.

This, Mr. Chairman, does contain some of the words of the expression that I used before the special committee which I read from page 693, when I said:

> I have no hesitation in saying that to refuse to grant a person the services of an interpreter, if he is unable to understand the language being used in the procedures of the court, is not a fair hearing;—

You will see that is largely incorporated into the last words of this suggested amendment "if he does not understand or speak the language in which such proceedings are conducted". So because we are intensely concerned to provide a fair hearing for all those who come to our country, who live in our country, who are entitled to the protection of our laws, whatever may be the language they speak, we are prepared, on the further consideration for which I asked in the special committee, to accept the suggestion that this is one particular that should be written into the bill of rights over and above the provisions that we have already written into it.

I would be happy at the appropriate moment to suggest the moving of this amendment, or something close to it; but I am afraid I could not accept the amendment presented by the hon. member for Maisonneuve-Rosemont in the form in which it is actually drawn.

Mr. Chevrier: Mr. Chairman, I think those of us who sit on this side of the chamber will appreciate the attempt of the Minister of Justice and those associated with him to meet the position that has been put forward in the amendment by the hon. member for Maisonneuve-Rosemont. Of course, I am rising now, not to take issue with the submission that is being made—we will look at it; at least, someone will look at it while I am intervening in the debate—but to tell the minister I am extremely pleased with the statement which he made earlier, namely that he could not understand how anyone who refused the right of an interpreter to a witness would be giving a fair hearing to an individual. In fact, I think the minister went on and said that in his opinion it would be a grossly unfair hearing. I was very happy to hear him say that and to know that it is on the record.

But what prompts me to rise again is that even though the Minister of Justice feels strongly about the matter, as he does, and

as strongly as those of us who have advanced the amendment, none the less, as he knows, this would have no bearing whatever upon a commissioner or upon a chairman of a board. The Minister of Justice could be a man with tremendous tolerance, but none the less the chairman of a board could feel otherwise. In fact, that is exactly what happened in the Eastview case. Here the Minister of Justice thinks that this would not be a fair trial, I am sure, having regard to his statement, that he was not aware of the facts.

But there is no doubt, on the other hand, that the individual, the commissioner in this case, was of the view that he was giving a fair trial to this person. I do not think I should pursue the matter any further. The point has been made that the principle of the amendment has been accepted. Whether or not the wording is satisfactory, I am not in a position to say. I hope it will be. I have not seen it and I do not know whether it has been drafted and sent over to us yet, but I would like very much the opportunity of looking at it. However, it is certainly a step in the right direction and I am sure all of us who have been pressing so hard, particularly the hon. member for Essex East and the hon. member for Maisonneuve-Rosemont, will feel satisfied that progress has been made in this direction.

Mr. Martineau: Would the hon. member permit just one question?

Mr. Chevrier: Yes.

Mr. Martineau: I would like to know if in his view the amendment would extend to a witness as well as a person accused before a court or board?

Mr. Chevrier: I have not seen the amendment. Does the hon. member mean our own amendment? I would think it does, yes.

Mr. Rapp: I am rising to express my appreciation and thanks to the minister for accepting this amendment. As a member of the special committee, this did cause me some concern because it was not covered by the clause. I appreciate the action being taken very much, as one who knows the difficulties of mastering a foreign language. Canada is a country to which thousands of people migrate every year and hon. members will readily appreciate the difficulties they encounter.

While I am on my feet I should like to make a comment about the procedure in the committee at that time. We all went into that committee with open minds and with only one object in view, namely to make the bill as effective as possible. The minister and the chairman always gave consideration to the amendments which were put forward and when it was felt they could be incorporated in the bill the necessary action was taken.

Mr. Regnier: I should like to make some remarks pursuant to what was said by the hon. member for Laurier. The attorney general of Ontario, Mr. Kelso Roberts, made a statement which I should like to challenge and condemn when he said that the French language is not official in Ontario. The Quebec act of 1774 could very well have been called the Canada act of 1774 because the limits of the province of Quebec as referred to in that act included Quebec as it is now, Labrador and Ontario as we know it today. The British North America Act did not diminish any of the rights concerning the use of the French language existing under the Quebec act when it was passed in 1867, so I maintain that the French language is official not only in Quebec but in Ontario.

I think it was a very poor show that the attorney general of Ontario should have condoned to a certain degree the decision of Commissioner Yates not to allow a witness to give her evidence in her own language. I think it was a poor show in the first place to have appointed a commissioner who could not understand French to go to the municipality of Eastview without French speaking personnel.

Mr. Chevrier: I have now had the opportunity of looking at the amendment submitted by the Minister of Justice and of giving consideration to the amendment put forward by the hon. member for Maisonneuve-Rosemont. I wonder if I can bring further to the attention of the committee the amendment suggested by the Minister of Justice which reads as follows:

(g) Deprive a person of the right to the assistance of an interpreter in any proceedings for the determination of his rights or obligations before a court, commission, board or other tribunal if he does not understand or speak the language in which such proceedings are conducted.

What I should like to say to the minister is that the amendment he has submitted would not meet the three cases I have brought forward unless certain words are taken out. Unless the words "for the determination of his rights or obligations" are taken out it would not apply to witnesses. If those words were taken out, and I suggest they should be, the amendment would then, I think, meet the three cases I have put on record in *Hansard*. Without those words, the amendment would read:

Deprive a person of the right to the assistance of an interpreter in any proceedings before a court,

commission, board or other tribunal if he does not understand or speak the language in which the proceedings are conducted.

So a witness coming before a tribunal would be protected by the amendment. I think that was the purport of the question put by the parliamentary secretary to the Prime Minister as to whether or not our amendment covered a witness. I was under the impression that it did. Certainly, unless the words I have indicated are taken out I doubt if it does cover the case of a witness, and I wonder whether the Minister of Justice would not reconsider the question in the light of what I have said.

Mr. Fulton: I would be glad to do that. I am sure there will be further discussion on the matter. The point the hon. gentleman has in mind was in our minds also when we drafted this. I referred in my remarks to the necessity of tying in this provision with proceedings before the court so as to avoid spreading it too wide. We did have in mind the position of witnesses, and considered they would be covered. The provision reads:

Deprive a person of the right to the assistance of an interpreter in any proceedings for the determination of his rights and obligations—

Supposing the party defending, or being investigated calls a witness. The witness would then be giving evidence with respect to the proceedings which were being held for the determination of the rights or the obligations of that party and if in the course of giving that evidence in the interest of the party involved the witness required an interpreter it is my tentative opinion, at any rate, that it would be covered because it could be said that the party required the assistance of an interpreter in order that the witness on whose evidence he was relying might give his evidence in a manner understandable to the court.

I appreciate it might be said that this was drawing things rather fine, but we have done it this way to confine it to a person who is really interested in the proceedings in the court and not someone who is not really involved in any way. It does seem to me that this is covered already, but we can consider it further.

Mr. Martin (Essex East): I think the explanation which the minister has given emphasizes the desirability of letting this matter stand. If the minister insists on bringing in an amendment himself I suggest that the hon. gentleman allow the matter to stand in order that it may be clear that the amendment covers the legitimate point we have raised. The words contained in the amendment of the hon. member for Maisonneuve-Rosemont seem to me to cover it precisely. He said:

[Mr. Chevrier.]

Deprive a person of the right to have the assistance of an interpreter if he cannot understand or speak the language—

And so on. As this matter is so important, as we are so near to agreement and as we all want to meet the principle involved I suggest we let the matter be carefully drafted and come back to it.

Mr. Diefenbaker: I think that suggestion is a proper one. This principle has prevailed for many years so far as the courts are concerned. The denial of any person, an accused or a witness, of his right to an interpreter in a court of law is a substantial denial of fundamental justice and as such gives grounds for an appeal.

This goes back to 1916 when in the court of criminal appeal in England a Chinese by the name Lee Kun had been refused or denied the use of an interpreter. He did not understand the English language in which the case was being held. He was convicted and the conviction was squashed. There was no new trial granted because, as hon. gentlemen know, no provision existed at that time in the United Kingdom for a new trial on appeal.

I have seen a number of examples similar to those outlined by the hon. member for Laurier. I think of one case in particular in which the judicial officer refused to consider in any way the right of the individual to speak any language other than the English language. The witness was quite unable to do so. The judicial officer who will also remain unidentified proceeded to excoriate this man for his failure to speak the English language. A conviction was registered. I had something to do with the appeal and it did not take very many minutes before a decision favourable to the appellant was given.

However, the rules in effect as to fundamental justice in this connection do not apply to commissions or boards. In the event that a person is denied an interpreter in a lower court an application by way of prohibition might be launched to assure that the magistrate should not proceed with the case until the opportunity for the witness or accused to have an interpreter was assured. That does not, of course, apply in the case of boards or commissions. There is nothing to guide the chairman or other officials of a board or executive tribunal in assuring the maintenance of fundamental justice.

We have had that in a number of cases. We had that in the Eldorado investigation some years ago in which provision was made by order in council to allow the commissioner to act as he would regardless of whether or not he was within the law. Whatever the

action he took, whether constitutional safeguards were maintained or denied, there was no right of appeal against the action or conduct of that commissioner.

That is the reason why through discussion we bring about in the best traditions of the House of Commons the changes that are necessary. I must say to the hon. member who brought forward this amendment that as soon as I heard it I could not but conclude that it was reasonable, proper and necessary. Even though in so far as cases in court are concerned I feel it would be covered by subclauses (e) and (f); in so far as a commission or executive tribunal is concerned it would not be covered.

I must say that is the essence of parliament in proper operation. It gives me an opportunity to say once more that the special committee that studied this matter was of that nature where, through discussion and consideration, determinations are arrived at for the best interests of all. All that remains now is that we arrive at some amendment that will be generally accepted to meet the consensus of opinion.

Mr. Pearson: In rising to say just a word on this matter I am conscious of the fact that I speak under the handicap—or the advantage, if you like—of not being a lawyer.

I believe it is clear that hon. members of the committee are agreed on the principle of the amendment introduced by the hon. member for Maisonneuve-Rosemont. It is an important principle and therefore as the Prime Minister has indicated it is also important to ensure that the principle is embodied in language that will be clear and explicit in accomplishing what we have in mind in putting forward the principle of the amendment.

The Minister of Justice is wise in having given further consideration to this matter and accepting this idea. It is quite true that any normal interpretation of the words "fair hearing" in this bill would seem on the face of it to include what is embodied in this amendment but surely in a matter of this kind it is wise to make assurances doubly sure and to resolve any doubt that might exist. Recent events have shown that there certainly is a doubt in some people's minds.

It is inconceivable to me, as I am sure it is to other hon. members of the committee, that anybody in any circumstances would be denied the right to use either of the two languages of Canada, but there are of course many other languages which are now in common use in Canada. There are many new Canadians who arrive here with languages other than English and French. It will be an assurance and comfort to them to know that a principle of this kind appears in the bill of rights concerning their right to use their own language, not only in courts of law but in boards, tribunals, naturalization boards, immigration tribunals, before which they might appear, and even R.C.M.P. investigations, if you like. It will be extended to all these extra-judicial boards and tribunals and this will be covered, I hope, beyond any doubt by the words of an amendment on which we can all agree.

Mr. Fulton: Mr. Chairman, I think I have a wording now which is sufficiently broad to cover all the cases, actual or potential, that are in mind. The amendment would read as follows:

(g) deprive a person of the right to the assistance of an interpreter in any proceedings in which he is involved or in which he is a party or a witness, before a court, commission, board or other tribunal, if he does not understand or speak the language in which such proceedings are conducted.

This then would cover the case of a person who is a party in a technical sense, a person who is a witness in those proceedings, or where it might be said that you cannot bring him under the word "party" in a technical sense, it would cover the case of a person who is involved in such proceedings. Let me read it again, and then I will send over a copy. It would read:

(g) deprive a person of the right to the assistance of an interpreter in any proceedings in which he is involved, or in which he is a party or a witness, before a court, commission, board or other tribunal, if he does not understand or speak the language in which such proceedings are conducted.

I am satisfied, Mr. Chairman, that this does cover the case of all our people who may be involved in any way in proceedings before courts, boards, commissions, or tribunals whether he be a party in the technical sense, or a witness, or merely involved in some way which does not come under the technical description of party.

Mr. Martin (Essex East): This would seem to be satisfactory. It so closely resembles the amendment introduced by the hon. member for Maisonneuve-Rosemont, that I wonder whether the minister would give to the hon. member the honour which obviously belongs to him of moving the amendment.

Mr. Fulton: Yes, Mr. Chairman; if the hon. member would care to withdraw his present amendment and move this one we would be very happy.

The Deputy Chairman: Order. Will the committee give unanimous consent to the hon. member to withdraw the amendment he has presented?

Some hon. Members: Agreed.

Mr. Deschatelets: I have the pleasure and the honour to move an amendment to clause 2 to add paragraph (g). I would hope that the Minister of Justice would do me the honour of seconding the amendment.

Mr. Fulton: I would think it should be seconded by the hon. member for Humboldt-Melfort.

The Deputy Chairman: A seconder is not necessary.

Mr. Fulton: We have been using that form.

Mr. Deschatelets: The amendment would read:

(g) deprive a person of the right to the assistance of an interpreter in any proceedings in which he is involved, or in which he is a party or a witness, before a court, commission, board or other tribunal, if he does not understand or speak the language in which such proceedings are conducted.

Mr. Herridge: In view of this apparent deviation from the rules I wish to join with the hon. member for Humboldt-Melfort in seconding the amendment on behalf of this group. We appreciate very much indeed the co-operation among the members on the government side of the house and in the official opposition in the discussion and amendment of this legislation to bring about practices which the C.C.F. have observed for years.

Amendment agreed to.

The Deputy Chairman: Shall clause 2 as amended carry?

Mr. Herridge: I simply wish to bring to the attention of the minister very briefly a matter about which I read in the Montreal *Star* not so long ago. I read in the Montreal *Star* that a lad of 17 was arrested for loitering in a swimming pool and was booked at No. 1 police station in Montreal on a Saturday. He was held until Monday and was brought before the court on Monday. Because it was not convenient for the judge to hear his case, owing to the number of cases coming before him, this lad was taken to Bordeaux prison. The hearing was finally held later on Friday and as a result of the hearing he was fined $5 for loitering. The question I want to ask is this. Here is a case of a lad being practically kept in jail or prison for nearly a week and then being fined $5 for loitering without any opportunity to take advantage of the very principles enunciated in this clause. What protection will this clause give persons who might suffer this injustice?

Mr. Fulton: If he was not charged within the time which the code provides, then he would have his remedy by way of habeas corpus, and my answer therefore to the question is that this bill of rights ensures him that remedy by this provision, that no one shall be deprived of the remedy by way of habeas corpus for the determination of the validity of his detention and for his release if the detention is not lawful.

The Deputy Chairman: Shall clause 2 as amended by the committee and the special committee carry?

Clause 2 as amended agreed to.

On clause 3—*Duties of Minister of Justice.*

Mr. Badanai: Mr. Chairman, yesterday during the general discussion of the bill I gave the reason why a clause should be included which would authorize the establishment of a parliamentary committee similar to the committee which exists in New Zealand, the success of which, I might add, suggests that a similar procedure might work in any parliament for the benefit of the rights and privileges of individual citizens. In this contention I am supported by the submission made by the Seventh Day Adventists, which was read by the Rev. Darren L. Michael, who said:

To sum up the views of the Seventh Day Adventist Church in Canada which warmly applauds the Prime Minister for taking the initiative in introducing such a measure the following points are emphasized with respect to Bill C-79, "an act for the recognition and protection of human rights and fundamental freedoms" which it is felt would greatly strengthen the effectiveness of this bill:

I am not going to read all of the recommendations, but I will read recommendation No. 6:

6. A standing parliamentary committee be established to give continuing examination with reference to the operation of this proposed act in the light of changing circumstances, and

7. This committee could draft, and parliament accept, a preamble to the bill—

Which was, of course, accepted. I am also supported very warmly in this amendment by no other than the Prime Minister himself. I refer to a statement made by the Prime Minister in 1945, as reported in *Hansard* at page 2460. Among other things he said:

In the United Kingdom it has been found necessary to set up a committee in this regard,—

I might say it was a question regarding the establishment of the national emergency bill. I continue:

—and I should like to see a similar committee appointed by this house.

Such a committee would report to the house from time to time on all orders in council passed where there is a matter of principle in issue and where the question of delegated power arises. Where legislative power is conferred, the committee would make the necessary criticisms of

orders passed by civil servants under the powers granted by legislation enacted by parliament.

Members of the house would be given an opportunity to serve. There should be no difficulty about the government having a majority in the committee. Its members would be charged with noting any breaches of parliamentary privileges and democratic rights; in fact, in orders in council it would be a watchdog in the preservation of our democratic rights.

That was in 1945. In 1951 the Prime Minister had this to say in speaking about the proposition to establish a committee on civil rights:

My suggestion, sir, is that in view of the importance of civil liberties and their preservation, there be set up a standing committee of the House of Commons on civil rights...

This committee would correlate information regarding interference with civil liberties as they take place. It would give publicity thereto. It would make Canadians everywhere cognizant and constantly aware of invasions of our basic liberties and of the inadequacy in many cases of our present laws in guarding those liberties. It would make Canadians freedom conscious, for this committee would provide parliament with a watching brief over freedom regardless of what may be the distribution of powers under the British North America Act.

I do not intend to go on much longer, Mr. Chairman, because the proposal has been discussed at length during the general discussion of the bill of rights and also extensively discussed in the special committee. I feel confident that the Prime Minister must have a sympathetic outlook toward this proposal. I am offering this amendment in the hope that the Prime Minister will accept it unless he has changed his mind since 1951. I am quite satisfied he will do what I think is the correct thing to do and accept this amendment. I think a committee such as is contemplated in the amendment will be able to make a substantial contribution to the bill of rights. I move, seconded by the hon. member for Humber-St. George's:

That clause 3 be amended by adding thereto:

(a) Reports of inconsistency from the Minister of Justice shall be referred to an appropriate standing committee of the House of Commons on human rights and fundamental freedoms.

(b) All petitions to the House of Commons which purport to be based on the Canadian bill of rights shall be referred to an appropriate standing committee of the House of Commons on human rights and fundamental freedoms. The committee shall have power to report these petitions from time to time to the house, together with its opinions and observations thereon.

All I can say is that the adoption of this amendment would greatly strengthen the bill of rights.

Mr. Diefenbaker: Mr. Chairman, I recollect very well the circumstances under which on a number of occasions I suggested in the house that a standing committee of the House of Commons should be set up to act, as the hon. member said, as a watchdog in order to guard against encroachments on and invasions of freedoms within the jurisdiction of parliament. I believe this is an objective which will be attained in due course provided the House of Commons, which is the master of its own rules, will bring about the setting up of such a committee. Through the years I have advocated that and I am unchanged in my viewpoint that we should all become freedom conscious, that the tendency and trend toward passing orders in council with almost prodigal disregard of human freedoms should end, and to that end that a standing committee of the house should be set up.

I still believe that parliament should give consideration to that matter. The means of bringing about a change in the rules is, of course, provided for under the traditions of parliament. I do not, however, believe that the setting up of such a committee should be incorporated in a bill of rights as such. I agree with the hon. member that it would be most desirable to bring about the setting up of such a standing committee. At the next session of the house I hope that the committee on rules, which has been in existence during the present session, will be constituted at the earliest possible date and that when it is constituted the direction of the thinking of that committee will in one respect, among others, be toward reaching a recommendation to the House of Commons for a standing committee along the lines indicated by the hon. member. That is a course that I believe to be very beneficial.

There was a time when orders in council did not find their way before the House of Commons. Indeed, as I recall, there was one order in council passed in September of 1945, the existence of which was denied in November, 1945, although I knew it existed from information I had received. Finally, in February, 1946, Mr. King, the then prime minister, announced that the particular order in council had been forgotten by the minister of justice. That was the order in council that swept aside habeas corpus, that denied to the individual the right to those constitutional safeguards which we are now incorporating in the bill of rights and the preservation of which I hope will be assured under the bill of rights now before the house.

While the House of Commons must always be the master of the course which it will follow, I think it would be the desire of all members of the house that when the committee on rules is set up at the next session it should give the fullest consideration to this matter, and I hope that hon. gentlemen will approve the setting up of such a committee as is suggested in the amendment in

order to ensure that there shall be no derogation from, no diminution of, the freedoms which we are now setting forth as declaratory of our purposes and aims under a bill of rights.

Mr. Martin (Essex East): Mr. Chairman, the amendment moved by the hon. member for Fort William is one that was introduced by him with respect to former clause 2 of the bill as presented on second reading. I think the hon. member is to be congratulated on the initiative he has shown in the formulation of this proposal.

To fully understand its worth, I think one must have an appreciation of what took place in connection with clause 3 now before us. The original clause in the bill was certainly not in this form, and the suggestions and improvements made were as a result of the suggestions offered by members of this party in that committee. The committee will recall that when the clause was presented on second reading the Leader of the Opposition objected to a change in the wording of the bill, as contained in the present draft in comparison with the bill put forward in 1959. At that time the clause read that the Minister of Justice shall, in accordance with such regulations as may be prescribed by the governor in council, examine every proposed regulation submitted in draft form to the clerk of the privy council and every bill introduced in the House of Commons in order to ensure whether any of the provisions thereof are inconsistent with the purposes and provisions of this part.

That was the way the bill stood in 1959. When the bill came before us this year on second reading instead of the word "ensure" there was the word "ascertain", which placed a higher obligation on the actions of the minister than is contained at present and as was contained in the bill when presented on second reading. The Leader of the Opposition thought that the clause lacked sanction, that the clause had no teeth, that it did not impose any duty on the Minister of Justice that was not then present.

Surely the Minister of Justice, he argued, would be expected to examine all draft regulations, and indeed all regulations and all government bills to see whether they conformed in terms with the bill of rights or whether they were inconsistent. There were no additional functions imposed on the Minister of Justice, the Leader of the Opposition argued. When the bill went to the committee, I think I must say that there was a general disposition on the part of all members to recognize that the clause needed something, that the clause meant nothing as it stood. All members of the committee did not support the amendment of the hon. member for Fort William. As a matter of fact, the amendment was defeated on a division as between parties represented in the committee, that is excluding the representative of the C.C.F. who was not present.

Now, the minister, after being pressed by the members of the committee, once the resolution of the hon. member for Fort William had been disposed of, came back to the committee with the addition of the words that are now in the clause, that he shall report any such inconsistencies to the House of Commons at the first convenient opportunity. Speaking on behalf of our party in that committee I said that was a welcome advance made by the minister. However, it did not meet the full views of the members of the Liberal party. It represented a disposition on the part of the minister, at long last, to recognize that there were views outside of the ministry of justice that deserved attention. It was an encouraging display of flexibility which, up until that time, had not been forthcoming.

The minister had made an advance. We agreed that all draft regulations should not come before the house because those were matters as between members of the cabinet. In so far as any government bill was concerned, there would be no doubt and there is an obligation, by implication, on the minister to report any inconsistencies in so far as the bill of rights is concerned with regard to any bill which may be introduced in this house.

We also were inclined to suggest to the minister that it was not satisfactory to say he should report any such inconsistencies to the House of Commons at the first convenient opportunity. I believe I raised the question that the words "at the first convenient opportunity" were not sufficient and should we not say so many days after the opening of parliament the minister should make a report. I must say, in fairness to the minister, that he satisfied me that in the first year we ought to see, by trial and error, what the situation might be. It was agreed, therefore, that we would leave the clause in its present form on that understanding. We will be interested in knowing next session, if there is going to be a next session of this parliament, if the minister has been able to examine all the inconsistencies in existing legislation and report the same to the house, together with inconsistent regulations.

The amendment of the hon. member for Fort William, I think, should be accepted now. The Prime Minister spoke in the

absence of the Minister of Justice, who undoubtedly needed, as I do now need, sustenance—I am talking about food. The minister was out on that account, I take it, and the Prime Minister replied. I presume he spoke for the minister as well.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I am not so sure because the Prime Minister and the Minister of Justice have not agreed on this bill. The Prime Minister today recognized there were some valuable suggestions made by the opposition. He accepted them. In fact, he told us a while ago, when we were dealing with the resolution of the hon. member for Maisonneuve-Rosemont, that he was struck by it at once. What occurred to me was that last night, the Prime Minister said he had read all the evidence, and if he had read all the evidence, then surely he must have seen last evening the merit of the recommendation made by the hon. member for Maisonneuve-Rosemont.

However, that is an aside. The Prime Minister is a busy man and I am not going to hold him to account for that inconsistency.

Mr. Diefenbaker: What inconsistency?

Mr. Martin (Essex East): The Prime Minister said he had read all the evidence. He said today the moment the hon. member introduced his amendment he recognized its validity. I would have thought if the Prime Minister had read all the evidence, he would have seen the validity of the amendment before it was introduced in this committee. However, perhaps I am placing too great an obligation on the Prime Minister.

Mr. Diefenbaker: And perhaps my hon. friend requires that sustenance to which he referred earlier.

Mr. Martin (Essex East): Perhaps that is right. However, if I did that perhaps the Prime Minister would not be as inclined to consider some of the recommendations we are making to improve in this bill of rights, which was drafted by Mr. Driedger, but the authorship of which now belongs to this whole House of Commons rather than to one individual.

In the first part of this amendment, the hon. member for Fort William asks that reports of inconsistency from the Minister of Justice be referred to an appropriate standing committee of the House of Commons on human rights and fundamental freedoms. The hon. member for Fort William was right when he said that the Prime Minister, at least at one time, thought there should be a standing committee on human rights and fundamental freedoms. It is true, the Prime Minister did. I recall reading in *Hansard* that he did make such a recommendation, and I wondered why, since he became Prime Minister, he did not set up such a committee in 1957. However, there were many things that the Prime Minister assured us he would do that he did not do, and I presume that has been because he has been preoccupied.

In any event, I pass over that quickly so as not to provoke any comment by the right. hon. Prime Minister. But we do not need to delay until next session; the hon. member's proposal can be accepted now. This house is master of its own rules. I know that normally if we want to set up a standing committee there is a particular procedure to which, under our standing orders, we must resort. But the house is master of its own destiny and its own rules, and if we pass and accept this amendment now we thereby set up a standing committee on human rights and fundamental freedoms.

That is the proposal, and I ask the Prime Minister to accept that proposal, because it is in keeping with his declared wishes, when he stood in a private capacity as a member of this house. There will be no difficulty, because if we wait till next session we are only postponing the day and only adding to our work next year. We would have this standing committee set up so that the Minister of Justice who, in the intervening period, is going to study all these inconsistencies, will have some body to whom he could come and before whom he could place these inconsistencies.

Surely the place to do this is in a bill of rights. The Prime Minister said it would be improper to include the setting up of a standing committee on human rights and fundamental freedoms in this bill. I say to the Prime Minister that this is the appropriate place to do it, in this bill of rights. Let this be the vehicle through which will be born a new select standing committee on human rights and fundamental freedoms.

There is an additional reason why that should be done. That is evident in (b) of the amendment. The hon. member for Fort William proposes that there should be an opportunity to the citizen, those who are not members of parliament, either this or the other chamber, to make petitions to some body in the matter of an abridgement of human rights and fundamental freedoms. The hon. gentleman, having carefully studied the practice in New Zealand and Denmark, makes the proposal that is provided in paragraph (b). He says, Let all petitions to the House of Commons which purport to be based on the Canadian bill of rights be referred to this standing committee of the House of Commons,

and the committee will have the power to report these petitions from time to time to the house, so that we will have a report from the Minister of Justice and an opportunity of presenting petitions by the subject to this committee.

Through this committee the Canadian people will have an opportunity of directing their petitions on matters having to do with the bill of rights to this House of Commons. It seems to me that the hon. member for Fort William has done us a great service in this proposal. I say, let us not wait until next session; let us incorporate this suggestion now in the present bill, thereby making it even a better document.

Mr. Diefenbaker: Mr. Chairman, the process of reformation knows no limits. It is really wonderful to sit here and behold the degree of change in the thinking of the hon. gentlemen opposite.

An hon. Member: After 25 years.

Mr. Diefenbaker: It is one of the marvels of modern-day parliamentary performance to listen to this hon. gentleman speaking of the support that he now gives to a suggestion that I first made in 1945 and repeated on a number of occasions subsequently. It would have been effected then, but the hon. gentleman and those associated with him said there was no need for such a committee being set up, at a time when fundamental freedoms were being interfered with regularly in so many fields. That ended when this government took over in 1957.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Since that date no statute has passed parliament or no order in council has been passed by the executive council which in any way has abrogated, interfered with, diminished or reduced the fundamental rights of individuals. That is one of the steps forward that has taken place; one of the things that we promised we would bring about, and have brought about.

That does not mean that occasions may not arise when as a result of action taken there might be some interference with fundamental freedoms, some application coming before parliament. The Minister of Justice is charged to examine all applications that come before parliament and to:

> —examine every proposed regulation submitted in draft form to the clerk of the privy council pursuant to the Regulations Act and every bill introduced in or presented to the House of Commons, in order to ascertain whether any of the provisions thereof are inconsistent with the purposes and provisions of this part and he shall report any such inconsistency to the House of Commons at the first convenient opportunity.

[Mr. Martin (Essex East).]

It could not be clearer than that. If in consequence of a report, if even in anticipation that that possibility may arise at any time in the future, I believe consideration could be given by the house to the setting up of a standing committee along the lines that I have advocated through the years and now is accepted and adopted by the hon. member for Fort William and those associated with him.

I have already given the assurance that if at the next session of parliament there is any desire on the part of the rules committee—and I hope there will be; and I hope the hon. member for Fort William is on the rules committee, and that can be assured by a simple application to the whip of the opposition, who will be able to pass that information on to the Leader of the Opposition —if the hon. gentleman is on that committee and makes representations in this connection, I hope all hon. members on that committee will adhere to the suggestion made and that a permanent standing committee will be set up.

After all, we have a standing committee on the library of parliament and on the rest of the house—

Mr. Pearson: Put this alongside those.

Mr. Diefenbaker: —and I would think a standing committee on freedoms would be appropriate.

Mr. Argue: Mr. Chairman, I was pleased that a member of the Liberal party moved the amendment that is before the committee but I want to say that I was even more pleased with the statement that has been made by the Prime Minister. I would think that with the assurance of the Prime Minister that this procedure could be followed, the rules committee could consider this question and, if appropriate, make a recommendation to the house so that this committee could be clothed within the rules of the house. I think that is a good suggestion.

I think the Liberal party is performing a useful function by putting forward all these amendments. However, in the light of their own previous record I think they can appear too rigid in the public mind if they do not readily and quickly accept this assurance from the Prime Minister.

Mr. Martin (Essex East): We went further than the Prime Minister. You could not have been here.

Mr. Argue: I know. You are so far ahead of your past that you hope it will be forgotten.

Some hon. Members: Hear, hear.

Mr. Pearson: You are not ahead at all.

Mr. Argue: That is the position of the Liberal party, and I congratulate them for it. One thing about the Liberal party is that they are always a liberal party when they are in opposition; but give them a few days in government, when there is work to do, and it is a different matter.

Some hon. Members: Hear, hear.

Mr. Argue: However, I just wanted to say that I appreciate the statement that has been made by the Prime Minister. I believe that the rules committee of the house, will take this under advisement and bring in a positive recommendation, and I think we could accept this as the opinion of the house as to the course that should be taken in order to bring about the objectives of the amendment.

Mr. Pearson: The hon. member for Assiniboia has joined us again to demonstrate his well-known flexibility. I regret to say that on this occasion we cannot join him in this flexibility for reasons I hope to indicate. The process of reformation which continues to give the Prime Minister so much amusement is nothing to the process of procrastination of which the Prime Minister is now giving us another glaring illustration, because way back in 1945 the right hon. gentleman said he wanted this done, and now we are giving him the chance to do it. The government has been in office three years during which period, presumably, they still wanted this done. The Prime Minister has just told us that during this period of purity there was no such thing as a violation of human rights and fundamental freedoms and therefore no such procedure as this was required. I could talk at length on that score but I would be out of order because some of these matters are now before the courts.

The Prime Minister has said: we shall do it next session; we shall do it by the rules committee; we shall set up a committee on human rights by the same process as we set up a committee on the restaurant. That is not good enough when we are discussing in this House of Commons the promulgation of Canadian rights and liberties. This bill is the place in which to make provision for this committee. If the Prime Minister feels as strongly now as he has indicated he felt about violations of human rights by orders in council being passed and that sort of thing, then surely this is the time to ensure in so far as legislation can ensure it that if this kind of thing happens again it can be examined by a committee of this house and the necessary action taken. Why should it be a committee set up by a decision of the rules committee along with the restaurant committee and the library committee? The committee should be established by the bill of rights itself and the committee will be given prestige and sanctity by enshrinement in this bill.

Surely the Prime Minister must realize that not only should this be done now but that it should be done in this particular way to justify in his own mind the importance which he has always attached to this matter since 1945.

Mr. Diefenbaker: I should like to point out a very good reason why this committee of the House of Commons should not be set out in a statute. Are we going to pass a statute which will require to be passed by the Senate in order to become law, and is the Senate going to participate in the setting up of a commons committee? That is something which I think would be a departure from every constitutional principle that has ever been accepted in this country.

In other words, there is no limit to the changing reformation on the part of hon. gentlemen opposite who are now asking the House of Commons to place in a statute a reference to the setting up of a House of Commons committee which will require the support of the Senate in order to achieve it. I think that in itself is sufficient to answer the arguments of the hon. gentlemen.

Mr. Pearson: The Prime Minister has suddenly hit on a new device—

Mr. Fulton: I raised this in the special committee.

Mr. Pearson: Will the Prime Minister assure this committee that this procedure has never been adopted in the past by legislation?

Mr. Fulton: Can you.

Amendment (Mr. Badanai) negatived: Yeas, 20; nays, 86.

Mr. Argue: The setting up of a committee of this house to act in a watchdog role would undoubtedly help assure the enforcement of this bill of rights. What I want to suggest now is something in a more positive vein; not some action that can be taken after the law has been broken but, rather, a positive step to make certain as far as we can that the law is not abrogated.

I am suggesting that within the Department of Justice there should be established a human rights division. I feel that this legislation which parliament is in the process of passing is important legislation. It has the positive support of the Canadian people, and a human rights division within the Department of Justice could do a great deal in promoting the ideas set forth in this

measure and providing additional means of bringing these rights to the attention of Canadian students and to the attention of the public generally. If it is brought from time to time to the attention of the government that there are infractions of the law or that infractions are about to take place, perhaps officers of this proposed division could do a public relations job of talking to the people who are involved and seeing whether they can get them to amend their ways, and seeing to it that Canadians have the rights which are set forth in this legislation.

Another duty of such a human rights division I suggest would be to assist the minister in the examination of regulations and bills to make certain that none were in conflict with this law. I think a human rights division in the Department of Justice would keep this whole idea of basic human rights and fundamental freedoms alive in the minds of the people of the country so that we will not pass from discussing this bill into a general negative atmosphere when everybody is saying: "Is the law being broken; if so, let us take action." That is important but let us do something positive. Let us have a human rights division to promote human rights and fundamental freedoms and provide an avenue of education for Canadians as to their basic rights and the need for all Canadians to conform not only to the letter of the law but to the spirit of the law. I therefore move:

That clause 3 be amended by adding the letter "a" after the numeral "3" in line one, and by adding thereto the following subparagraph (b):

(b) There shall be established within the Department of Justice a special human rights division for the purpose of:

(i) assisting the Minister of Justice in his examination of regulations and bills pursuant to paragraph (a) of this clause,

(ii) initiating studies and procedures with a view to improving the general observance of human rights and fundamental freedoms in Canada.

Mr. Pearson: Mr. Chairman, we are in agreement with the amendment moved by the hon. member. It seems to me that this is a useful and constructive amendment and we will be glad to support it.

Mr. Fulton: Mr. Chairman, this matter was raised in the special committee and has been considered by us both then and since. It arises out of a suggestion made in Professor Scott's presentation to the committee, as I see it, and I imagine that is where the hon. member for Assiniboia obtained his inspiration. What I pointed out to the special committee it seems to me applies equally now. That is, what we would be doing here is to attempt to write in part of the detail of the organization of the Department of Justice

in a bill of rights. If you are going to do that you have to do things completely. You have to provide for the appointment of officers, the payment of salaries and all the other things that go with the setting up of a human rights division.

It could be said that it is apparent from the nature of the amendment that it is really only a pious hope and my hon. friends have not got down to the bones of what would be necessary to make it a reality. The amendment would have no practical effect if left in its present form.

May I now point out what is perhaps a more fundamental objection. That is, that this is going to be the responsibility of the Minister of Justice by virtue now of the express provisions of clause 3 of the bill we are now considering. I think it would be premature to attempt now to say in detail how the minister will exercise that responsibility. He is going to have to examine every bill introduced in or presented to the House of Commons.

He is going to have to examine all regulations in draft form, and regulations as defined in the Regulations Act include orders and a great number of instruments.

This is going to be, in my view, a heavy obligation on the part of the Department of Justice. It might well be that we will require additional personnel to discharge this obligation. I think I should make it clear that in some respects it is only an extension but a very broad one of the duties the department has now. It might therefore require additional personnel for the department and on the other hand we may find we can discharge it with the present personnel in the department.

I therefore think it would be completely premature to write into a statute now a matter which is really only dealing with the method by which the minister with the assistance of his departmental officials will discharge the onus the statute places on him. I think it is premature until we have had some experience in this field in working out the way in which the report to parliament should be made, for instance, and a number of other matters that will be covered by the regulation or regulations contemplated in this clause itself.

If we were required to set up a human rights division now, that, as I say, means special personnel and of course special clerical assistance which would mean setting up a new branch the size and extent of which we would not be in a position to judge and committing us to additional expenditures to operate that branch at a time when we do not know whether that expenditure would be justified.

Furthermore the organization we developed might need to be changed from time to time. It seems to me, therefore, the only reasonable course is to let us develop experience and see what is necessary to discharge this obligation and then when we know that, if it is necessary or desirable we can come to parliament and ask for the necessary changes in the Department of Justice Act, if such changes are required.

Mr. Argue: Mr. Chairman, we moved this amendment because we think it is a step that should be taken. I do not think the minister's arguments remove the need for such course of action. The minister said this would require special personnel and clerical staff. That is certainly one of the purposes of passing it.

Mr. Fulton: But you have not made any provision for that.

Mr. Argue: This could be done a little later in the legislation. This is not impossible. If the government wanted to do that it would be easy for it to bring in the necessary amendments to provide by regulation for the carrying out of this step and it would be done. Of course, the reason the minister is opposed to the amendment has nothing to do with draftsmanship. It is merely because the government is not yet prepared to take this step.

The minister said this is only a special way of carrying out the functions of the department and the minister as set forth in clause 3. We think it is much more than that. We think it would in fact be an extension of activity in regard to the support of human rights and fundamental freedoms.

This amendment has two parts. The first is that the human rights division obviously would assist the minister in his examination of regulations and bills pursuant to clause 3 as it now stands. The second part of the amendment is that the human rights division would intitiate studies and procedures with a view to improving the general observance of human rights and fundamental freedoms in Canada. Therefore, what we have in mind is much more than the very necessary but limited scope of clause 3. I think that the passage of such an amendment and the establishment of such a human rights division are necessary to strengthen the whole purpose of this legislation, and that if we have within the Department of Justice a human rights division in the days ahead the provisions of this bill would be more securely established, not only in the law itself but in the practice and in the attitudes of Canadian citizens. I think this kind of step will inevitably have to be taken. Now is the time to take it.

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Mr. Fulton: If it will inevitably have to be taken, then it should be taken in the proper way. Bills setting up departments and authorizing staff require resolutions because they impose upon the government the obligation of spending money to carry out the statutory provision which is introduced. We, therefore, could not do a thing like this or commit ourselves to do a thing like this without a resolution. That is why I say it should not be inserted in the bill of rights at this time because it is not the kind of provision that you put in a bill of rights. You do not put in a bill of rights a provision to organize or re-organize the Department of Justice.

In addition, I point out that the Saskatchewan bill of rights, I assume, was passed with the intent that it should be an effective measure for creating consciousness and awareness and the enforcement and protection of human rights in Saskatchewan. There is not a single word in that statute as to the organization of the attorney general's department or setting up any division in that department. I hope my hon. friend is not going to say that the attorney general's department is thus less able to carry out any obligation in Saskatchewan that it should have, or any interest that it should take in the bill of rights. Unless my hon. friend is going to criticize the government of his own province of Saskatchewan, may I suggest that they in this respect followed the proper course of not inserting in the bill of rights those things which should not be there.

Mr. Argue: Mr. Chairman, the minister has a technical argument. I think the proposition in this amendment is a good one. As far as Saskatchewan is concerned, I think the government of that province is to be congratulated on having initiated a bill of rights as long ago as 1947. It may well be that this kind of provision should be in the law in Saskatchewan. On this I do not pose as an authority in any way at all. It may be that if—

Mr. Fulton: The hon. member is posing as an authority here.

Mr. Argue: Of course; I am a member of the House of Commons and it is my duty to put forth a proposition that I feel, if provided for in legislation, would be of advantage to the Canadian nation. Because the Saskatchewan government does something or fails to do something it does not mean that I am required to go along with them in what they are doing or not doing. I have always taken the position that in this House of Commons the members of this group speak

for the C.C.F. party nationally. We are encouraged by the good work done in Saskatchewan. The people of that province would be the first to agree that improvements could be made in Saskatchewan.

Mr. Macdonnell: Could anything be said which could more definitely prove the truth of what the Prime Minister has said about the great conversion than what we are witnessing in this committee where we have had one amendment piled on another in order to carry out certain things? I think I can only express my view by paraphrasing what I believe was expressed by Swift:

> For larger fleas have smaller fleas
> Upon their backs to bite 'em;
> And these again have other fleas
> And so ad infinitum.

The Chairman: Is the committee ready for the question? Amendment negatived: Yeas, 16; nays, 70.

Clause agreed to.

On clause 4—*Short title.*

Mr. Martin (Essex East): Mr. Chairman, I just wish to point out that the suggestion was made by members of this party in the committee that, having in mind the intention of the government with regard to portrayal, or public display, of the main portions of this declaration, that the short title now contained in clause 4, and formerly clause 1, should be removed from that position in which it was when the bill was presented for second reading and placed toward the end of the bill, or in part 1, so that children, school teachers, those in churches and elsewhere who would see the declaration would not be confronted with any unnecessary introductory, explanatory or legal language not having a purpose connected with the main reasons for the legislation. I think it was wise for the minister to accept the suggestion, and I think he will agree as we look at it, that it is in a better place than it was originally.

Mr. Fulton: I agree.

Clause agreed to.

On clause 5—*Savings.*

Mr. Martin (Essex East): Mr. Chairman, on second reading of this bill an hon. member argued that there could be no successful contention made that in clause 2 of the bill as presented for second reading there was any invasion of provincial powers, notwithstanding what was said about the word "Canada" or the words of "enjoyment of property"; also, notwithstanding the very able argument put forward in *The Canadian Bar Review* by Professor Louis- Phillippe Pigeon of Laval University, who was concerned about the geographic application of the word "Canada" and the meaning of the word "property" in its unrestricted form as conveying to his mind an invasion of provincial powers.

The Minister of Justice will recall that in the committee there was considerable discussion on this point. The member for Bellechasse joined with myself and others who spoke in expressing, at any rate, the view that clause 2 as drawn at least was doubtful in its full implications in this particular; that nothing could be lost by taking steps to see that the intent as stated by the Prime Minister was respected with legal effect in the act.

When the Prime Minister introduced the bill he quite properly said that the intention was that we should confine what we do to matters within section 91 of the British North America Act. It was pointed out in response to this observation that the courts will not look at what the Prime Minister says or what any hon. member of the house says because in judicial interpretation it is not open to the courts, for the purpose of ascertaining meaning, to examine what was said in the debates of parliament.

For that reason and others it was suggested, first of all by the hon. member for Bellechasse, that there should be provision made in old clause 2, now clause 1, for the use of phrases that would indicate that we were only dealing with matters within our competence. However, the suggestion having been made that this might be done in the preamble, it was then agreed by the hon. member for Bellechasse, the Minister of Justice and others, that perhaps that was the place to put it.

Although I am not satisfied with the actual wording in the English text of the preamble, I believe that once we bring the words in the English text in conformity with the meaning clearly and unmistakably provided in the French text that will be ample authority for feeling that we have clearly reserved our position so far as powers are concerned. I would argue that to say in the preamble, "shall reflect the respect of parliament for the limits of its constitutional authority" would clearly safeguard our concern in this matter.

But the Minister of Justice caused me to wonder as to his real intentions when he argued, following presentation of the amendment by the hon. member for Assiniboia, that he could not accept that amendment because it was clearly in violation of provincial rights and it could not be argued that the reference to limitation of powers in the preamble really delimited in any way

any of the functions or any of the declarations sought to be asserted in the present clause 1.

Mr. Fulton: I never said any such thing.

Mr. Martin (Essex East): I am just saying that is my impression. The Leader of the Opposition and I recall that the minister did make that statement. He may have intended something else but he certainly used words that are open to that interpretation. Whether or not that is the case, and I am not now blaming the minister or pursuing the point I just made, let us be clear about this. I am satisfied that under the rules of interpretation the courts may look at any word in the operative part of the act and say that it means such and such in the light of what is contained in the preamble. The preamble cannot enact but the use of words in the preamble can explain the meaning of words in the operative sections.

But because I am concerned about the minister's observation, because I do want to see this legislation as effective as possible so there can be no doubt about the matter, leaving the preamble precisely as it now is subject to clarification of words, I move, seconded by the hon. member for Maisonneuve-Rosemont:

> That clause 5, section 1, be amended as follows: That the following words shall be added after the word "act" in line 16 "nor to apply beyond the jurisdiction of the parliament of Canada."

The Chairman: Is the committee ready for the question?

Mr. Fulton: No, Mr. Chairman. It is interesting to observe the about-face of the hon. member for Essex East.

Mr. Martin (Essex East): Why always attribute motives? Can you not discuss things objectively?

Mr. Fulton: Most certainly.

Mr. Martin (Essex East): No, you cannot.

Mr. Fulton: I can only suggest that my hon. friend, having made a number of accusations, insinuations and innuendoes in the course of his remarks throughout the debate on this bill, is showing a rather remarkable sensitivity to a statement of the facts. In the committee the hon. member expressed it as his opinion that this matter would be adequately taken care of by the words in the preamble.

Mr. Martin (Essex East): That is right.

Mr. Fulton: The hon. member says it is now his opinion that this is not adequate.

Mr. Martin (Essex East): I did not say that was my opinion. I said that in order to make sure, because of the words used by the minister—would the minister allow me to quote the words, which have been found by the Leader of the Opposition?

Mr. Fulton: I have them here, page 7423 of *Hansard*. I said at that time:

> Another objection is that whatever the hon. member for Essex East or others may say about the proposed amendment, it does get us into the field of provincial jurisdiction. Whatever words you may put in the preamble indicating your intention to confine the bill to federal jurisdiction, it is, as I understand it, a law of interpretation that if, notwithstanding an expression of intent in a preamble, you introduce into that part of the bill that has legislative effect a provision which clearly goes beyond the intention expressed in the preamble then it is the section of the bill itself to which effect shall be given and not the words of the preamble.

The meaning of these words is very different from the interpretation which the hon. member gave them a few moments ago.

Mr. Martin (Essex East): Not at all.

Mr. Fulton: It is, of course, a clear rule of interpretation that the courts in applying statutes must have regard to the effective words of the legislative provision and that you cannot by a mere declaration in a preamble pretend, and have the courts give effect to your pretence, that you have limited the confines and the effect of your legislation if your legislation itself clearly goes beyond the declaration of intention in the preamble. That is why we have been so careful in drafting the bill not to go beyond the field of federal legislative competence. That is why we have resisted so strongly all the efforts of my hon. friends in the Liberal and C.C.F. parties which would in our view have had the effect of taking the bill of rights beyond the field of federal legislative competence.

As I said at the beginning of my remarks on this subject, in the special committee the hon. member for Essex East was satisfied that all we should do was to put words of intent into the preamble and, indeed, he resisted in the committee a suggestion advanced by a member of the Conservative party that such words should in fact be included in clause 5.

Mr. Martin (Essex East): I beg your pardon, I did not resist. I suggested I was satisfied with the preamble and I did not resist any such suggestion. I should like to know where I did.

Mr. Fulton: Here is the hon. member on record at page 582 of the committee proceedings. The hon. member for Vancouver-Kingsway first made these remarks:

> There has been some concern about where the jurisdiction of this bill went, and there was a suggestion in the earlier clauses that if there was need to clarify the matter in any way—and I am not saying that there is but that if that were

to be considered, clause 5 might be a convenient place to put that in, to show that it applied to those things within the jurisdiction of the parliament of Canada. If it was felt there was a need to clarify that position, it would seem to be a suitable place to have it inserted.

To which I replied:

I think that is an interesting and valuable suggestion, perhaps taken in conjunction with the suggestion that there might also be a short phrase in the preamble. This would be in the act itself, and it might be a very useful way to make it clear to the courts what the intention of the legislature is.

Then my hon. friend immediately replied:

If it were put in the preamble, that would take care of it.

Mr. Martin (Essex East): Of course, and that is my contention now.

Mr. Fulton: That is what I said, that the hon. gentleman in committee indicated he was resisting the suggestion made by the hon. member for Vancouver-Kingsway that this should be put in clause 5 of the bill itself.

Mr. Martin (Essex East): Nonsense.

Mr. Fulton: I am not saying that the hon. gentleman's changed opinion is wrong, I am merely pointing out what the facts are. I am not suggesting he is wrong in changing his opinion, I am merely pointing it out as a fact and suggesting to the committee that the same credit now be given to the hon. member for Essex East for having changed his views and shown that flexibility that he has attributed to—

Mr. Martin (Essex East): I never said the minister was flexible.

Mr. Fulton: —us when we have changed our views. I think that this matter is taken care of adequately in the preamble, but as I indicated in the committee I thought the suggestion that the provision be inserted in clause 5 was an interesting and valuable one and that the suggestion made by the hon. member for Vancouver-Kingsway was deserving of the most serious consideration. I am glad to find the hon. member for Essex East now shares the views of the hon. member for Vancouver-Kingsway.

Therefore, consistent with my previous position, I am quite prepared to accept the principle of this amendment. However, may I point out to the committee that the amendment, as drawn, is in the negative. It is suggested to me that that is not a desirable principle to incorporate into bills by way of direction to the courts. Indeed, it is my view that the insertion of this negative form amounts almost to an impossible direction to the courts because how can the courts in Canada decide they would construe a statute extending beyond the legislative competence of Canada. This is directing them to avoid doing something which it would be improper for them to do in any event. I suggest the amendment be phrased in the affirmative, by adding a subclause 3 to clause 5 with the marginal note "jurisdiction of parliament", to the effect that the provisions of Part I shall be construed as extending only to matters coming within the legislative authority of the parliament of Canada. In that form, we will be quite prepared to accept the amendment.

Mr. Martin (Essex East): I thank the minister for his remarkable display of flexibility and the very generous words in which that flexibility was noted. I leave to him the decision as to who shall have the honour of making the motion.

Mr. Fulton: I shall ask one of my colleagues to move the amendment.

The Chairman: I think before this amendment is moved, the hon. member for Essex East will need the consent of the committee to withdraw his amendment.

Some hon. Members: Agreed.

Amendment withdrawn.

Mr. Brooks: I move:

That clause 5 be amended by adding a new subparagraph 3:

(3) The provisions of Part I shall be construed as extending only to matters coming within the legislative authority of the parliament of Canada.

(Translation):

Mr. Deschatelets: Mr. Chairman, only a few words to say how sorry I am that the Minister of Justice (Mr. Fulton) was less generous towards my colleague the hon. member for Essex East (Mr. Martin) as he was to me when he let me submit an amendment. At all events, I want to say how very pleased we are that this amendment is accepted, because our position has remained unchanged from the moment when the original bill was put before us.

If the minister will recall, in the original bill there was no reference at all to the Canadian parliament's legislative jurisdiction, and it was only after we had repeatedly raised the matter at the committee that the Minister of Justice agreed to include in a preamble the very important principle that will eliminate all uncertainties from a constitutional point of view. Now, after the amendment of the hon. member for Essex East, we are very happy to see that principle recognized.

Before resuming my seat, may I remind hon. members that, ever since we took up this bill, we have been consistent in our

effort to eliminate every uncertainty as regards any interference with provincial powers.

Mr. Fulton: Mr. Chairman, only one remark, at this stage, to inform the house that the amendment was first suggested by the hon. member for Vancouver-Kingsway (Mr. Browne).

(Text):

Mr. Herridge: I just want to express the support of this group for this amendment which is further proof that we have always been consistent since we urged upon the Liberal government in 1946 the necessity for a bill of rights.

Amendment agreed to.

Clause 5 as amended agreed to.

On clause 6—*War Measures Act.*

Mr. Pearson: Mr. Chairman, clause 6 is the one that is concerned with the War Measures Act, which is included in this bill of rights, and which is amended by this clause. This is a very important clause of the bill and we propose to move an amendment to it. I expressed the opinion on second reading of this bill that in underlining the importance of this clause of the bill perhaps human rights and fundamental freedoms—I could take out the word "perhaps"—fundamental freedoms and human rights need greater protection in a situation in which the War Measures Act is operative than in any other situation.

I quoted Professor Lower in that connection when he affirmed that viewpoint, as he has on so many occasions and as he did recently in the committee. I do not propose to repeat what I said on that occasion. But I would like to refer to the importance that was attached to this particular amendment by some of the witnesses who appeared before the special committee and to quote one sentence or two from what these witnesses said about it. When Professor Scott appeared before the special committee he had this to say, as reported on page 38 of the evidence:

> —I am saying that this bill lays it down in black and white that if the War Measures Act is proclaimed, these rights no longer stand in the way of the enactment of the War Measures Act; and we have not got that statement in the law at the moment. This might, in fact—

This amendment:

> —weaken our position under the War Measures Act. Maybe the War Measures Act is at the moment more restricted by the principles of human rights than it will be if paragraph (5) of clause 6 is made law. Frankly, I am frightened of that.

We did not go as far as that; in fact, we did not take that position in regard to this amendment. We thought, and expressed our thought, that this amendment was an improvement, so far as it went, but that it did not go nearly far enough to deal with threats to rights and liberties in time of war or apprehended war, because we all know that when arms clash laws sometimes cease to protect as they do in normal times.

This matter was discussed before the special committee, not only by Professor Scott but by Professor Lower himself. It is a matter to which he has given a great deal of consideration over the years and about which he has written much. He had this to say, as reported on page 318 of the evidence:

> This clause, it seems to me, giving parliament—

And this is the amendment he was talking about:

> —the power to resolve that the declaration be revoked, does not mean a thing. It just does not mean a thing because, of course, the government of the day, under that clause, will do as it likes and parliament will obediently follow it, especially in a time of hysteria such as wartime.
>
> I would think today, when within our own country we are relatively peaceful and there are no particular difficulties coming forward, our civil liberties are not in too much danger. I must say I do not find any great complaint about the way things go on.

Then he said later:

> It is not in peacetime that our civil liberties are in any overly great danger: it is in wartime, or other such emergencies.

That, of course, is when we need protection most—as experience has shown. When Professor Cohen was questioned about this matter in his evidence, on page 396 he said this:

> May I give you my conclusions in two seconds, Mr. Chairman. Let me draw my balance sheet about this bill.

Then he mentioned some points against the bill. His second point was:

> —the inadequate consideration of the role of the War Measures Act.

Mr. Mundell, on page 505, took the same position generally when he said this in answer to a question asked by the hon. member for Essex East:

> Mr. Martin (Essex East): Mr. Mundell, have you any comment to make on clause 6 of the bill?
>
> Mr. Mundell: I would say that clause 6 is an improvement to the War Measures Act, but of comparatively, probably, little practical importance.
>
> The present War Measures Act comes into force on a proclamation of the governor in council—which is the government, really—and stays in force until a further proclamation is issued. Parliament could at any time, of course, pass a statute repealing the War Measures Act and declaring it to be of no force and effect.
>
> This provision—

That is the amendment we are discussing:

> —permits parliament—the two houses acting together—to pass legislation making the War Measures Act ineffective. To that extent it is an expectation and aids parliamentary control. The likelihood of its being used is, I think, slight.

That is why, I say that while we think this particular amendment has some value when it states:

Sections 3, 4 and 5—

Of the War Measures Act:

—shall come into force only upon the issue of a proclamation of the governor in council declaring that war, invasion or insurrection, real or apprehended, exists.

Then it says:

—shall be laid before parliament forthwith after its issue, or, if parliament is then not sitting, within the first fifteen days next thereafter that parliament is sitting.

Then parliament can, in its wisdom, take action in respect of the proclamation. I think, as I have said, that that is an improvement but, according to so many of the witnesses who testified before the special committee, it is not an improvement that is going to be as effective under war conditions in protecting human rights and liberties as they thought desirable.

The Prime Minister has always had a great interest in this matter, and far back in 1947 he advocated far more drastic action in respect of the War Measures Act than that which is included in this amendment. I am quoting the Prime Minister from a debate with which the committee will be quite familiar, because it has been referred to so many times in this discussion. It is the debate of May 16, 1947, and on page 3157 of *Hansard* the present Prime Minister is reported as saying:

I have a few suggestions to make. The first one is that this committee should consider the advisability of the repeal of the War Measures Act which has been on the statute books since 1914.

Then he said:

It was passed by the Sir Robert Borden government in 1914.

Mr. Ian Mackenzie said, when he intervened:

A very necessary act, too.

Mr. Diefenbaker: My right hon. friend says it was a very necessary act. It was necessary in the period of the war; but in the days of peace, with the challenge that the state is making to the rights of the individual, Professor Lower supports the stand that I take, namely, that the act should be repealed.

We on this side of the chamber do not go so far as the Prime Minister went at that time. But we do think that this amendment should be strengthened and made more effective for the purpose which we all have in mind. Therefore, Mr. Chairman, I move, seconded by the hon. member for Essex East (Mr. Martin):

That subsection (5) of section 6 be deleted and that there be added the following section as section 6A:

[Mr. Pearson.]

"6A (1) Subject to subsection 2, any act or thing done or authorized or any order or regulation made under the authority of this act, shall be deemed not to be an abrogation, abridgement, or infringement of any right or freedom recognized by the Canadian bill of rights".

Then subsection (2)—and this is the amendment:

(2) No Canadian citizen may be deported from Canada under this act.

We know that in the not too distant past action has been taken under the War Measures Act which resulted in the deportation of Canadian citizens. I have said previously, and I do not mind repeating it, that I think it was unfortunate that that was done, and I hope in similar circumstances it would not be done again and this amendment would make it impossible to do it.

Therefore, Mr. Chairman, I hope that this amendment, which would prevent this kind of thing in any circumstances, the deportation or driving out of Canada of Canadian citizens, will commend itself to the committee.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Chairman, the Leader of the Opposition has pointed out that in 1947, among other things, I stated that I believed the time had come for the repeal of the War Measures Act. I remember very well holding that view and it received no support at that time, and that was within a year and a half after the United Nations had been set up at San Francisco. Canadians, as were free men all over the world, were of the opinion that the possibility of another war taking place was remote, if indeed such a possibility existed at all. We believed at that time that we had entered upon a new era where peace would become the universal way of mankind. Indeed, I am one of those who having heard Mr. Molotov at San Francisco in 1945 believed that that would indeed be the course which mankind would take. Events since have shown that the hopes of mankind have not been completely justified, and I think that statement is a major understatement.

I remember many years ago being in the gallery of the House of Commons—I cannot now place the year, and I have not *Hansard* before me—but I recall the late Ernest Lapointe saying that the War Measures Act was no longer in effect. He said it was still on the statute books but it was not in effect. My recollection is that at that time he, or someone else speaking during the course of the discussion in this regard, indicated that the law officers of the crown had given that opinion.

The War Measures Act is a measure which, of course, was adopted just prior to the outbreak of the second world war. It is well to

refer to the powers contained in that act. It authorized the governor in council:

—to do and authorize such acts and things and make from time to time such orders and regulations as he may by reason of the existence of real or apprehended war, invasion or insurrection deem necessary or advisable for the security, defence, peace, order and welfare of Canada, and for greater certainty among other powers are—

And the powers mentioned include censorship, arrest, detention, exclusion and deportation, control of the harbours, ports and territorial waters of Canada and the movement of vessels, transportation, trading, exportation, importation, production and manufacture, appropriation, control, forfeiture and disposition of property and the use thereof. Then the rights of the individual are greatly diminished by section 5 which reads:

No person who is held for deportation under this act or under any regulation made thereunder or who is under arrest or detention as an alien enemy or upon suspicion that he is an alien enemy, or to prevent his departure from Canada shall be released on bail or otherwise discharged or tried without the consent of the Minister of Justice.

Those are wide and terrifying powers when considered in the light of the rights of free men. However, it has been recognized by all political parties that during the days of war the rights of the individual are placed in pawn, as it were, as security against the day of victory.

I had the opportunity during the days of war to serve on the defence committee set up on the defence of Canada regulations. It was a committee, as I recall, of some eight or nine members and it was one which gave those of us who were privileged to serve on it an opportunity of seeing the operation of the War Measures Act.

One recalls the internment of numbers of Canadians who in the light of subsequent events were as innocent of wrongdoing as any hon. member of this house. They were taken into custody. I am not going to mention names, but there is one outstanding Canadian of Italian origin who spent a considerable period in an internment camp and, who, upon examination of the record, including the confidential and secret record, by any fair-minded man should not have been interned. Indeed, upon the record as I saw it that man was as innocent as it is possible for anyone to be. But there was the finger of suspicion. Accepted was the chit chat and hearsay of others. Wrongs took place, justified though they were because of the exigencies of war.

The same condition of affairs applied in the United Kingdom under the defence of the realm regulations. Indeed, the record of two world wars is replete with examples of injustices done to our fellow men, not intentionally but none the less actually.

What shall we do with regard to the War Measures Act? The Leader of the Opposition has mentioned that Canadians were subject to deportation. He said that those orders in council were passed under the War Measures Act. I think the original ones were and I speak subject to correction when I state that I believe the subsequent orders were passed under the Emergency Powers Act or under the Transitional Powers Act, whichever was the successor to the War Measures Act following the war. The effect was to go further than deportation. I have a copy of the original order in council in my hand dated December 15, 1945, P.C. 7356. It reads, in part, as follows:

Whereas by order in council P.C. 7355 of 15th December, 1945, provision is made for the deportation of persons who, during the course of the war, have requested to be removed or sent to an enemy country or otherwise manifested their sympathy with or support of the enemy powers and have by such actions shown themselves to be unfit for permanent residence in Canada;

Therefore, His Excellency the Governor General in Council is pleased to order and doth hereby order as follows:

1. Any person who, being a British subject by naturalization under the Naturalization Act, chapter 138, R.S.C. 1927, is deported from Canada under the provisions of order in council P.C. 7355 of 15th December, 1945, shall, as and from the date upon which he leaves Canada in the course of such deportation, cease to be either a British subject or a Canadian national.

I am not going to go back over those days but certainly the only offence that many of these people committed was their colour. There was no evidence against them of wrongdoing that would have stood up for a moment in any court of law had they had the opportunity to appear in a court of law.

The War Measures Act either in its present form or, better still, in an amended form must remain in effect under the trying and dangerous times in which we live. We have behind us the experience of two world wars. I believe that this measure deserves the fullest study on the part of hon. members of parliament and at the earliest possible date. I suggest that while it has been in effect since 1914 the experience of two world wars justifies amendments being made which will not sacrifice security but will to the highest degree possible maintain the fundamental rights of the individual in Canada.

How to bring about that condition of affairs has tried the minds of thinkers throughout the years. I believe that if the house is agreeable we should at the next session set up a special committee representative of all parts of the house, not on a party basis whatever, for the purpose of giving the fullest consideration to this whole question

of maintaining security while at the same time assuring a maximum of freedom for the rights of the individual. If a committee is set up and, of course, I am in the hands of the house as always—

Mr. Martin (Essex East): The right hon. gentleman has some influence.

Mr. Diefenbaker: I thank my hon. friend for those kind words. His geniality has brought about the recognition of a fact that he often denies.

This would be a most important contribution to the Canada of today and to the Canada of the future. At that time we would not deal as we are asked to now on a piecemeal basis with the rights under the War Measures Act. If there is a degree of unanimity, and I think there will be, that Canadian citizens should not be deported the committee might make that recommendation along with such other recommendations as will bring about a War Measures Act which on the one hand will maintain the solidarity and security of the state and on the other hand will have before it the paramount necessity of not needlessly sacrificing the rights of Canadians. I suggest, therefore, that particularizing one incident in the bill of rights would not be beneficial or helpful.

Many other things were done under the War Measures Act with which I will not deal in detail. It was sometimes used as a means whereby the executive could circumvent parliament and do those things that were unjustified, unreasonable and unconscionable. In short, I suggest this. We have by the amendment to clause 6, as suggested, assured parliamentary control which has not previously existed under the War Measures Act. We have provided that the particular clauses I referred to in general shall come into force only upon the issue of a proclamation; that this proclamation shall be laid before parliament forthwith after its issue or, if parliament is then not sitting, within the first 15 days next thereafter when parliament is sitting; and that where a proclamation has been laid before parliament a notice of motion in either house signed by 10 members thereof and made in accordance with the rules of that house within 10 days of the day the proclamation was laid before parliament, praying that the proclamation be revoked, shall be debated in that house at the first convenient opportunity.

In other words we do not intend to ask in this country again to be endowed with absolute power, power above the courts in most cases, without having the authority of parliament. That is of the essence of the parliamentary system. If the cabinet can proceed to bring into effect a system of absolute power for itself, that of itself constitutes a dangerous probability for the rights of the individual. We suggest immediately that we shall reduce forthwith the power to make ourselves absolute as a cabinet if we are in power when war comes, which I hope will never come about. Whatever other government is in power then will have to come to parliament and ask the representatives of the people whether they will confirm the grant to the cabinet of absolute power.

Then as to the War Measures Act and the particulars as to the removal of needless powers, that is a question, as I see it, for consideration by itself. Personally I have felt, and I am unchanged in that view, that the War Measures Act deserves the most careful analysis to the end that any powers contained therein which, in the light of experience, ought not to be possessed, should be deleted from the act. Therefore, I believe that simply to take one of the absolute powers which all of us look back at today, which brought about the exile of Canadians without trial, without offence proved, not even suspicion as a basis for proof, and it could never be accepted as such, is not what we should do. We should not in a bill of rights specifically take one of the absolute powers away without having given the fullest consideration to all of the powers in the War Measures Act. After that has been done, then it will be early enough to single out one of the absolute powers to the exclusion of all others.

Under these circumstances, with feelings of antagonism against the operation of the War Measures Act as it is capable of being exercised and was exercised, I believe that our action should be taken on the whole act and therefore it would be unfortunate if we should now start to single out one of the items which we regard to have been a tyrannical exercise of power. We should rather cover the whole field and make an amendment to that act in consequence of the recommendations made by a representative committee at the next session.

Mr. Winch: Mr. Chairman, we have all listened with a great deal of interest to the remarks just made by the Prime Minister. As far as I am concerned, I can say that I listened with a great deal of appreciation of some of the aspects upon which he touched. Naturally, I am most interested in all phases and policies of this bill of rights, but I do have a particular interest in this clause, and I have not yet heard anything to make me change my opinion that the Leader of the Opposition has moved a most worth-while amendment. The new clause 6A(1) says:

(1) Subject to subsection 2, any act or thing done or authorized or any order or regulation

made under the authority of this act, shall be deemed not to be an abrogation, abridgement, or infringement of any right or freedom recognized by the Canadian bill of rights.

(2) No Canadian citizen may be deported from Canada under this act.

We in this group cannot help but remember the situation when Japan entered world war II. In Canada we had thousands of Canadian citizens of Japanese origin. Thousands of them were born in Canada; they did not know any other country but Canada and the principles espoused by Canada. And yet, under the act which was mentioned here, those who were citizens of Canada but not of our colour or racial origin were within 24 hours cut from their homes, from their houses, their businesses, their property and put in camps and then dispersed across Canada. At that time I had the honour of being the leader of the opposition in the province of British Columbia and I can still remember not one, but dozens of people representing hundreds of Japanese Canadians, citizens, coming to my office and pleading for the right to fight on behalf of Canada in any way that Canada wanted, in a combatant force, a labour battalion on any front, and yet they were denied.

Following the cessation of hostilities I was interested in checking as far as I could under security measures on what happened, and the answer was that there was not one solitary incident or instance of insubordination or of any act of sabotage by those Canadian citizens. At the same time we were the only voice that was raised on behalf of Canadian citizens, irrespective of their land of origin or of their colour. We were the only voice raised at that time which said that every Canadian citizen was entitled to a vote. How we were condemned and damned because we believed in Canadian citizenship and only one kind of citizenship. Today everyone has the vote. I noticed in the press only last week that the Conservative party has named a Japanese Canadian as a candidate in the next provincial election in British Columbia. How times do change.

In view of that episode, unfortunate as it was, we think and I have listened to the Prime Minister and I think he agrees with those views also—that there should be something in the bill of rights in time of peace or war which says that a Canadian citizen is a loyal Canadian citizen unless he is found guilty of betrayal or sabotage aginst the Dominion of Canada. I am not going to say any more. It is now six o'clock and I do not want to carry on afterward. It is for that reason that I find myself very sympathetic toward many of the words that the Prime Minister has used and also most sympathetic toward the amendment moved by the Leader of the Opposition.

Some hon. Members: Six o'clock.

Mr. Martin (Essex East): Do you want to go right through?

Mr. Fulton: No.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Martin (Essex East): Mr. Chairman, the Prime Minister in response to the suggestions made by the Leader of the Opposition reminded us of the words of the late minister of justice, the Right Hon. Ernest Lapointe. I do not comment on that fact, except to observe that this morning the Prime Minister admonished me for quoting from observations made by one who is deceased.

Mr. Diefenbaker: That was right in *Hansard.*

Mr. Martin (Essex East): I would remind the Prime Minister that he quoted the words of a man who was likewise deceased.

Mr. Diefenbaker: That was right in *Hansard.*

Mr. Martin (Essex East): That has nothing to do with the bill but it seems to me the sort of response—

Mr. Fulton: One set of words is recorded and the other set was supposed to be a private conversation.

Mr. Martin (Essex East): Now the Minister of Justice adds pearls of wisdom that do not really help the situation.

Mr. Fulton: I am glad you recognize them for what they are.

Mr. Martin (Essex East): The Prime Minister did not deny that he had urged at one time, not this particular amendment to the War Measures Act, but a much wider application in revision of the War Measures Act. One can only suspect it is because he is now sitting to Mr. Speaker's right, that he takes a position somewhat less liberal toward this act in relation to the question of a bill of rights than he formerly took. He suggests that next year we might have an opportunity of studying the War Measures Act in relation to the bill of rights and on its own account, and that at that time it would be more appropriate to consider the amendment offered by the Leader of the Opposition.

I must tell the Prime Minister that I find his attitude a little surprising, particularly in view of his well known views which, as he reminded us this morning, he has expressed often in the house and outside. It is difficult to reconcile these general observations with his suggestion that we postpone this amendment, which in any event I am sure would be agreed upon in any revision of the War Measures Act, until next year. It would seem to me that any examination of the amendment proposed by the Leader of the Opposition will reveal that, revision or no revision, there would be general agreement in the house on this amendment which basically provides that no Canadian citizen may be deported from Canada under this act.

We are talking now of the Canadian citizen. We are not talking of any other individual in our country except a Canadian citizen, and we are saying that under the War Measures Act such a person should not be deported. We are not saying that the bill of rights should supersede the War Measures Act. We are all cognizant of the requirements of security in time of war, but we recognize this as a minimum kind of liberalization. It would seem to me that when we are discussing a bill of rights this minimum kind of liberalization should be contemporary with the passing of the bill of rights.

The Prime Minister, however, has refused to accept this on the grounds that there will be a complete revision later on. This we cannot accept, and I would suggest to the Prime Minister that if he would read the evidence of Professor Lower, one of his great champions and admirers, he will find that on interrogation by me Professor Lower agreed with this amendment. It is true, that after I had interrogated Professor Lower in the committee, having to leave to come to the house to attend to my obligations here, because of the way in which the business of the house was managed, compelling us to move from the committee to the house, I was faced with the situation that did not allow me to deal with Professor Lower when he was being examined in my absence, not by a member of the committee, but by one who, in terms of interrogation, was there by courtesy, namely my friend the Minister of Justice. The Minister of Justice interrogated Professor Lower after I had gone—

Mr. Fulton: I did not get a chance to get a word in edgeways while you were there.

Mr. Martin (Essex East): —and it is an indication of the flexibility of Professor Lower, that the Minister of Justice was able to elicit from the distinguished professor from Queen's University precisely opposite answers to those which I had been able to elicit when the Minister of Justice remained quiet. But I must say that this flexibility was not contagious, because the Minister of Justice has not revealed any such ability until the very late hours of this afternoon, a flexibility which we all accept and recognize and for which we are grateful.

The Prime Minister gave us a dissertation on the problems of security. He told us about how important the War Measures Act was in the event of war. I am sure we appreciated this recital of the importance of the War Measures Act by the Prime Minister, but it seems to me that that recital was part of the Prime Minister's well known technique of diversion. It was not addressed to the amendment, and the Prime Minister at no time said that the amendment was an unacceptable one. The only argument he adduced was that it should not be accepted at this time because it was hoped that at the next session there would be an examination of the War Measures Act, when that act could be viewed in its totality.

The Prime Minister will not misunderstand me when I say that since 1957 we have had too many examples of this technique of postponement. I need only refer to the experience of the western liaison committee in the matter of postponement. We could easily be faced with a situation next session, if there is going to be one, that the Prime Minister would find some reason why the War Measures Act could not be discussed at that time. In any event, the fact is we are pressing this point under the War Measures Act that no Canadian citizen should be deported from Canada. One could easily put the question, where would one deport a Canadian citizen? No country would be obliged to take a Canadian citizen.

Mr. Diefenbaker: You did not find that difficult in 1946.

Mr. Martin (Essex East): What was the case in 1946 to which the Prime Minister refers?

Mr. Pearson: The Japanese.

Mr. Martin (Essex East): Oh, I see now. I just had a heavy dinner, and I am not as quick as usual. All I can say is that the situation to which the Prime Minister directs my attention was one which elicited very strong support for the government of the day by the hon. gentleman sitting on the Prime Minister's right, the Minister of Justice, and the hon. gentleman seated on his left, the Secretary of State for External Affairs, who said we did not go far enough.

The point is, are we, in a bill of rights, to say we are not going to accord to any Canadian citizen the limits which are provided

by this amendment? The Prime Minister said that we must revise the War Measures Act next year or some time in the future. Then he went on to tell us about the revision which the government itself was making in the War Measures Act. If the argument is sound that we should not discuss now any revision of the War Measures Act, why was it not sound for the government itself to amend the War Measures Act in the bill of rights? The Prime Minister did not find it difficult to do, what we ourselves tried to do. He reminded us of the liberalization which he and his government is supposed to have effected in the amendment of the War Measures Act as provided in clause 6 of this bill.

I must say, that passing over this display of lack of consistency on the part of the right hon. gentleman, I cannot agree that the amendments which he has provided is substantial. What is that amendment? He says in clause 6 (2):

A proclamation declaring that war, invasion or insurrection, real or apprehended, exists shall be laid before parliament forthwith after its issue, or, if parliament is then not sitting, within the first fifteen days next thereafter that parliament is sitting.

I will admit that is, in form, a liberalization. I will recognize that is an amendment to the War Measures Act. It is suggested that the amendment, which we have proposed should be postponed until the total revision takes place. However, a revision that the government makes is, of course, in an altogether different category. I submit the Prime Minister should not be too gleeful or enthusiastic about the amendment he has provided for in clause 6 (2) because it is really meaningless. The fact is that parliament, at any time under the existing War Measures Act, has the opportunity to discuss a proclamation declaring that war, invasion or insurrection, real or apprehended, exists. This was never denied parliament, and was always a right that parliament had. If the Prime Minister thinks I am exaggerating when I make that statement, let me call as my witness no less a person than the Minister of Justice himself. At pages 584 and 585 of the committee evidence the Minister of Justice is reported as saying:

If you did that, of course, then the effect would be that it could be debated not only shortly after the proclamation, or alternatively, shortly after parliament met, but at any time thereafter. This would happen if you cut that limitation.

Mr. Fulton: You remember I amended those remarks later.

Mr. Martin (Essex East): My hon. friend says he amended that. I am not aware that he did amend those words, but it seems to me they are rather inconsequential and any amendment would be meaningless. However, if he did I make note of it. What I am coming to now is the important part of what the minister said:

I would like to point out that from the point of view of an administration, the urgency of taking out the War Measures Act is, it is true, not as great as the urgency for bringing it into effect; but on the other hand, parliament could always debate it in any event, or discuss it in debate on the throne speech, on the estimates of the Department of National Defence, for instance, on supply motions, and by attacking the regulations tabled in the House of Commons under the War Measures Act as an encroachment of the provisions of the Regulations Act, and by various other methods. What we have thought important to ensure is that parliament should have the right to challenge the declaration of emergency itself in order that parliament should have the right to raise the question of whether it is not a false emergency brought in or created for the purpose of enabling the government to get around the bill of rights.

I was about to quote my own pearls of wisdom, but they do not add anything except to corroborate the generality involved in the statement of the Minister of Justice, which I find so helpful at this time. There need not be anything else said. The Prime Minister's argument has been discredited by his own Minister of Justice. He has indicated the inconsequential character of the amendment which the Prime Minister and his government have proposed in clause 6 (2), but in the very fact that they have proposed an amendment they have justified the amendment proposed by the Leader of the Opposition. As I say, this amendment involves the minimum kind of thing one would do in the liberalization of the War Measures Act, in an effort to give that measure of protection to the citizen which is consistent with security demands and with what is contained in the bill of rights.

The Prime Minister has not offered any substantial argument of which I could possibly conceive, that would stand in the way of the acceptance of this amendment. It is an amendment that would warm the heart of that great admirer of his, the author of the book "From Colony to Nation", Professor Lower, who spoke of the Prime Minister in most generous terms. If not for me, I hope that in the interests of satisfying Professor Lower the Prime Minister will accept this amendment.

Mr. Diefenbaker: I am glad to have those words from the hon. gentleman who paid Professor Lower such a high tribute, with which of course I entirely concur. Having had Professor Lower designated by the hon. gentleman as a worthy man whose suggestions and ideas should be followed, may I quote from the bottom of page 331 of the committee evidence:

Mr. Fulton: Would you then agree with me that it is a sensible provision at the moment to put

this safeguard in against abuses of the powers of invoking the War Measures Act,—

That is the particular matter covered by clause 6.

—which will thus give you some protection against the abuse of powers conferred by the act; and then say we will look next at the act to see whether improvements should be made in the statute itself.

Professor Lower then stated:

Yes, I was under the impression, when I read this, that this is an attempt to make criticism of the War Measures Act. From what you say about it I can see you have something additional in mind. I would be very happy not only to have this retained but also to have the revision of the War Measures Act make subsequently. Of course, I do think it is too big a thing to be examined at this time of year.

So I entirely accept the designation of Professor Lower's capacity and ability, the evidence which he gave, and simply quote, in answer to the hon. gentleman, the words of Professor Lower.

Mr. Crestohl: Mr. Chairman, I was struck by one remark in particular which the Prime Minister made when he spoke before the dinner hour. He used this expression which I jotted down: The executive can circumvent parliament if it desires—if it wishes. I do not know what the Prime Minister meant when he said that the executive can circumvent parliament. Surely the members of the house can be really concerned about the possibility that the executive, the cabinet, can circumvent parliament. If we look at clause 6, paragraph (1) it states:

Sections 3, 4 and 5 shall come into force only upon the issue of a proclamation of the governor in council declaring that war, invasion or insurrection, real or apprehended, exists.

Then paragraph (2) states:

A proclamation declaring that war, invastion or insurrection, real or apprehended, exists shall be laid before parliament forthwith after its issue, or, if parliament is then not sitting, within the first fifteen days next thereafter that parliament is sitting.

Strangely enough there is no precaution taken in this clause that parliament should promptly be convened. If the executive desires, for example, to wait for the full term of 12 months to expire from the last date that parliament sat it is conceivable that the executive could then run the country for 11 months; that is, if we suppose that the declaration of war was made one month after parliament prorogued. Perhaps there is something in that, that during these 11 months the executive will not be able to place before parliament the declaration of war so that parliament can discuss it, and perhaps that could be one of the ways in which parliament could be circumvented for at least 11 months.

[Mr. Diefenbaker.]

I would therefore suggest, or invite the Prime Minister's consideration to this inclusion in paragraph (2), that if the declaration should be presented to parliament within 15 days next thereafter that parliament is sitting—those 15 days can be, as I said, 11 months hence—and I wonder whether it would not be wiser, or a greater precaution to safeguard our rights and deal with the emergency so that parliament can deal with it and not the executive alone, for the Prime Minister to include that parliament should be—I am not offering this as an amendment; but merely as a suggestion—convened say, within a month after the declaration, or within 15 days, depending upon the emergency.

I think in that way in times of emergency parliament can be certain that it will be convened to pass upon and to deal with a dangerous situation or a proclamation which the governor in council may have made. If we have that limitation, that parliament cannot just be circumvented during months at a time, I think the people of Canada, and parliament certainly, would be given the opportunity which it is entitled to have, and therefore perhaps eliminate a possibility that parliament might be circumvented by the executive.

Mr. Fulton: On that point, Mr. Chairman, I would simply make the observation that I do not think the house itself would want to impose upon any government an obligation which, upon reflection, it realized that the government might very well not be able to discharge. If there should be a war—which, as the Prime Minister has said, everyone here hopes there will not be—of a nuclear or atomic nature, it simply might not be physically possible to call parliament within 15 days of the outbreak; everything might be in a state of complete physical chaos. We would have liked to put in some time within which parliament must be called; but we felt we could not do any better, because of that possibility, than leave in the provision of the British North America Act which imposes upon the government the constitutional responsibility of having a session at least once a year.

Amendment (Mr. Pearson) negatived: Yeas, 25; nays, 72.

Mr. Martin (Essex East): Mr. Chairman, the Prime Minister will perhaps be relieved to note that this is perhaps the last amendment on the operative part of the bill; but it is, on that account, not less in substance than any of the ones that have preceded it. I move,

seconded by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets):

That subsection (5) of section 6 of clause 6 be deleted and that there be added the following section as section 6A:

"6A (1) Subject to subsections 2, 3, 4, 5 and 6 any act or thing done or authorized or any order or regulation made under the authority of this act, shall be deemed not to be an abrogation, abridgement, or infringement of any right or freedom recognized by the Canadian bill of rights.

(2) No naturalized Canadian citizen may be deprived of his citizenship and no naturalized British subject may be deprived of his status as a British subject under this act.

(3) No Canadian citizen or British subject may be detained under this act beyond a period of sixty days, unless the cause for his detention has been reviewed by an appropriate impartial tribunal which has reported to the minister or the authorities authorizing the detention.

(4) Any order or regulation under this act conferring authority to order the detention of any person shall, forthwith after it is made, be laid before parliament, or if parliament is not then sitting, within the first fifteen days next thereafter that parliament is sitting.

(5) Where an order or regulation has been laid before parliament pursuant to subsection (4), a notice of motion in either house, signed by ten members thereof, and made in accordance with the rules of that house within ten days of the day the order or regulation was laid before parliament, praying that the order or regulation be revoked, shall be debated in that house at the first convenient opportunity within the four sitting days next after the day the motion in the house was made.

(6) If either house of parliament resolve pursuant to a motion made under subsection (5) that the order or regulation be revoked, it shall cease to have effect, without prejudice, to the previous operation of the order or regulation, or anything duly done thereunder.

The observations which were made by the Leader of the Opposition in proposing the previous amendment, and my response to those of the Prime Minister when he commented on that amendment would, it seems to me, apply to this particular amendment which I recommend to the committee.

Mr. Fulton: In general the remarks made by the Prime Minister apply to this amendment, namely that what is sought to be done here is to suggest particular ways in which the War Measures Act should be amended. The Prime Minister has given an assurance that the War Measures Act will be placed under review at the first convenient opportunity, at which time all the features of that act will be reviewed by parliament or by a committee of parliament so that it may then be determined what it is that should be changed. I bring as a witness in support of the contention that that is the proper way in which to do it, Professor Lower himself, who agreed in reply to a question by me that the War Measures Act is much too big a subject to get into at this time of the year. In other words, Professor Lower was agreeing that when we are considering a bill of rights at this stage and in this context it is not an appropriate time to consider amending the War Measures Act in particular but that that project should be left to the kind of examination which the Prime Minister has indicated will be undertaken.

Mr. Pearson: The position of the government on this matter has been made quite clear. They are willing to put into the bill of rights their own amendment to the War Measures Act, and though we say this is some improvement it is a very inconsequential improvement, as was pointed out by nearly all the witnesses in the special committee. But when we move amendments which would put some teeth in the protection afforded, the government says it will defer consideration to some future time. We have to accept that decision of the government, but it is not a very impressive one.

Mr. Diefenbaker: Let me make this very clear. In so far as this is concerned, no naturalized Canadian may be deprived of his citizenship and no naturalized British subject may be deprived of his status as a British subject under this act, and we accept that as a desirable objective when full and complete amendment of the War Measures Act or other acts is made. If my memory serves me right, the last case of their being a deprivation of citizenship and also a deprivation of the status of British subject was under the order in council in 1945 and again in 1946. I am very glad that hon. gentlemen opposite in the light of the perspective of reconsideration now agree that the course then followed was a wrong one. That is all to the good. Furthermore, no Canadian citizen or British subject must be detained under this act beyond a period of 60 days unless the case for his detention has been reviewed by an appropriate impartial tribunal which has reported to the minister or the authority authorizing the detention. Nothing could have been more conducive to injustice than the regulations that were in effect during the last war whereby men were interned without any opportunity being given to them of understanding the charge against them, denied, as they were in 1946, the right to have counsel.

I am not bringing these things up in order to recall the past but simply to point out that we at that time took the strongest objection, and we are glad we are now joined by those opposite who in those days disregarded our warnings and our request for action in this connection. I can assure hon. gentlemen opposite that this is the type of thing that will not again happen in this country.

We do not want to precipitate, unconsidered, piecemeal consideration of the War Measures Act, and it is for that reason these particular

matters can best be dealt with in detail by a committee. Indeed, it has been made very clear by hon. gentlemen opposite that as a result of a committee which has met in connection with a bill of rights improvements have been brought forward, and I know that at the next session, if the house agrees to set up such a committee as I have proposed, we shall be able in co-operation and with a common dedication to remove and eradicate those things that bring shame to our hearts today as we think of some of the things that were done in the past.

Mr. Pearson: The Prime Minister has now said that these are good amendments, that he approves of them and that at some time in the future they may be put into effect. The Prime Minister and his government have been considering this bill of rights now for two and a half years. They found time during those years to introduce one change in the War Measures Act and at some time in the future they will put into effect the other changes that are so good. Such is the process of procrastination.

Mr. Herridge: I wish to say briefly that this party, the only party in the house with a clear record and conscience on this question —nobody can deny that; I challenge anyone to question that statement right now—

An hon. Member: Do you have a conscience?

Mr. Herridge: As the only party with a clear record and conscience on this question we support the principle of this amendment. However, I am rather surprised to find such a distinguished colleague as the hon. member for Essex East writing an amendment in what I consider to be a somewhat loose form. On page 2 of the amendment I read, in lines 5 and 6 "four sitting days after the day the motion in the house was made". I always understood that a motion was moved and not made in this house.

Mr. Martin (Essex East): I thank the hon. member for his editorial support. We all would have been very happy in the Liberal party if throughout the discussions at this stage of the debate we had had the active support of the hon. gentleman and his colleagues in connection with these substantive measures.

I regret that the Prime Minister, accepting the principle of this amendment, has not agreed to put it in the bill of rights. I should like to have seen this adopted not next year but today.

Amendment (Mr. Martin, Essex East) negatived: Yeas, 28; nays, 84.

Clause 6 agreed to.

On the preamble.

[Mr. Diefenbaker.]

Mr. Martin (Essex East): Mr. Chairman, I take it the only matter before the committee now is the preamble. The preamble which was proposed by the Leader of the Opposition in spite of the criticism levelled at the idea is now before us. It represents a composite effort provided for by the law officers of the Department of Justice. We have no objection to the first paragraph which reads:

> The parliament of Canada, affirming that the Canadian nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions;

Nor is there any objection to the second paragraph which reads:

> Affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law;

I will read the third paragraph so the committee will get the sense of it and then suggest to the Minister of Justice that the tenses in that paragraph are perhaps inaccurate. It reads:

> And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a bill of rights which shall reflect the respect of parliament for the provisions of its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada;

I suggest to the minister that instead of saying, "shall reflect" a better way of employing the correct tense would be to say "reflects" leaving out "shall"; and, in the second last line, instead of saying "shall ensure" the correct usage would be "ensures". I believe that would be a more correct representation of the tense. I propose that simply by way of a suggestion.

However, I would formally move that in the twelfth line the word "provision" be deleted after the word "the" and that there be substituted therefor the word "limits". That would bring the English text into full conformity with the meaning as provided for in the French text which reads as follows:

(Translation):

> And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a bill of rights which shall reflect the respect of parliament for the provisions of its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada:

(Text):

I formally move:

> That the word "provisions" in the twelfth line be deleted and that there be substituted therefor the word "limits".

Mr. Fulton: Mr. Chairman, on the proposals made by the hon. member for Essex East I am very glad indeed to have this opportunity of indicating a degree of flexibility which I am quite sure will surprise the hon. gentleman in view of some of the strictures

he has heaped upon me. I refer particularly to the question of the word "provisions" for which the hon. member suggests we substitute the word "limits".

I think the committee will be interested to know that when I first drafted the preamble which was submitted to the special committee and out of which this present agreed form came—and I drafted it on the basis of all the suggestions that had been made and then had a draft prepared in the department; I took that and prepared the final form in which it was submitted to the special committee—I had originally used the word "limits" instead of "provisions". Then, being flexible, I dicussed this with some hon. members and others who were interested and they suggested that possibly the word "limits" would be interpreted as meaning that parliament had enacted a limited bill of rights, that parliament had sort of shrunk a little bit and not enacted a broad and generous measure; so they said, not because of the technical sense of the word but because of the poetic implications or the implications in the sense of language, maybe it would not be desirable to use the word "limits" and it was suggested to me that we use the word "provisions" instead which would be unobjectionable from that point of view.

Desirous of demonstrating a degree of flexibility and readiness to accept all reasonable suggestions that come from anywhere as long as they did not destroy the effect and intent of the bill, I said "All right, we will take out 'limits' and put in 'provisions' ", and therefore when it was submitted to the special committee it contained the word "provisions".

The draft preamble as submitted was worked over. I would remind the committee and the hon. member for Essex East that in the form in which it now appears in this reprinted bill it was approved unanimously by the special committee. We now find the hon. member for Essex East suggesting with the most perfect sincerity and constructive thought that the word "provisions" should be deleted and the word "limits" substituted and also that the two "shalls" shall be taken out. Again I am desirous of demonstrating that degree of flexibility which the hon. member has suggested I do not always show. I am prepared to agree with his suggestion with regard to that particular word, but I think surely that by this complete 100 degree circle, if you like—

Mr. Hellyer: Circles have 360 degrees.

Mr. Fulton: —I have succeeded in demonstrating for all time my readiness to be flexible and to accommodate the views of hon. members. Personally I have no strong feelings about whether the word "provisions" or "limits" is used. Possibly the word "limits" is more precise; I think the word "provisions" is more poetic and in discussing whether a word should be poetic or not, again I think I indicated a degree of flexibility.

I think, Mr. Chairman, this is one of those problems where it should be left to the judgment of the committee. I would suggest there is no point in taking a firm stand as a representative of the government on whether it be "limits" or "provisions". I have some personal preference now for the word "provisions", for the reasons that first of all prevailed upon me to put in the word "provisions". In this respect I would suggest that it be left to the judgment of the committee of the whole house. The hon. member has moved a motion to substitute for the word "provisions" the word "limits". If that commends itself to the committee, I shall be perfectly happy. If, on the other hand, the judgment of the committee is that in the circumstances the word "provisions" is the better word, then again I think we shall all be perfectly happy.

Mr. Martin (Essex East): Will my hon. friend second my motion?

Mr. Fulton: No; I will not do that because I prefer to leave this to the judgment of the committee uninfluenced by my personal opinion as to what is the better word for the purpose that we are trying to achieve here.

But with regard to the elimination suggested by the hon. member of the two words "shall", here I know he has not moved an amendment, but I do have some fairly strong views. I think the word "shall" is more prospective; it brings attention more to what is to follow; it indicates that parliament now is desirous of doing this thing and parliament will do those things which shall reflect its respect of the provisions of its own constitutional authority and shall ensure protection of those rights and freedoms in Canada. Of course, although we have merely the future tense, or an expression of determination as to what shall be done, the bill itself still commences to be operative and effective from the moment that it is enacted. Therefore, there is no disadvantage from that point of view in having the words "shall" in the preamble. I think they are indicative of a conscientious determination on the part of parliament, and it is desirable that they should be in the preamble for that purpose.

Therefore, Mr. Chairman, I simply say with respect to the amendment moved by the hon. member for Essex East, as far as the government is concerned, it is prepared to leave to the judgment of the committee whether the word "provisions" or the word "limits" is preferable.

With regard to the preamble as a whole, may I take advantage of this opportunity to say that it was the unanimous recommendation of the special committee that the preamble should be in this form. As we draw near to the close of our deliberations in committee I wish to say that I think the special committee, as well as the committee of the whole house, has produced a bill of rights for all Canadians which is as expressive as the House of Commons and parliament would desire it to be of those principles with respect to the basic rights and fundamental freedoms upon which our whole existence as a body politic depends, of which this parliament may be proud, for which I know this nation will be grateful to the Prime Minister for his continuous, conscientious and successful efforts to give to the Canadian nation a bill of rights upon which it will find a firm anchor for its democratic freedoms.

I believe, Mr. Chairman, notwithstanding that the discussion of this bill has from time to time been sharp—this is not an altogether undesirable feature when we concern ourselves with those things which go to the very warp and woof of our corporative existence as a nation; obviously, men feel keenly about these things, and members of parliament particularly feel most keenly about them—notwithstanding that there have occasionally been sharp differences of opinion expressed in the discussion in committee of the whole, I believe that the House of Commons can be proud, and every individual member of the House of Commons can be proud, of the part that this house has played in these discussions, and will I am certain pay a tribute to the Prime Minister and the government of which he is head for having provided the occasion for this discussion and will take a sense of pride and proper gratification, tempered with proper humility, in the achievement that this House of Commons has brought about.

Mr. Chevrier: May I draw to the attention of the Minister of Justice one matter which I think he may not have given attention to, namely that if the preamble, particularly the last paragraph which has been brought to the attention of the committee by the hon. member for Essex East, remains as it is in both texts, then the third paragraph in the French bill and the third paragraph in the English bill will have a different meaning. I do not think there is any doubt about that if you look at the words:

(Translation):

...in a bill of rights which shall reflect the respect of parliament for the provisions of its constitutional authority...

[Mr. Fulton.]

(Text):

Which is translated as follows:

—a bill of rights which shall reflect the respect of parliament for the provisions of its constitutional authority—

These words, with all due respect, do not mean the same in the two bills.

Mr. Diefenbaker: Would the hon. gentleman allow a question? I am not presuming to suggest that the question I am asking is a solution of the problem, but if the words "the provisions of" were left out, would that not cover the situation. It would then read:

—which shall reflect the respect of parliament for its constitutional authority and which shall ensure—

Would that not have the effect of achieving a solution of the difficulty mentioned by the hon. gentleman?

Mr. Chevrier: I would not like to answer no to that, but I would like to say this: the French version uses the word "limits" which is extremely important in the English translation. My understanding is that the translation has been from the French to the English.

Mr. Fulton: No.

Mr. Chevrier: Or vice versa. There is no doubt, whether it is from the one to the other, unless the word "limits" is put in the English text it will not have the same meaning as the French text, because the French text clearly states that it is the limits of the legislative competence of parliament which is emphasized. That is why I think the word "limits" should be substituted for the word "provisions".

Mr. Fulton: May I follow up the Prime Minister's suggestion very briefly. The Prime Minister's suggestion is that we solve what might be a dilemma or an impasse by deleting from the English text "the provisions of" so that it would then read:

—the respect of parliament for its constitutional authority—

In the French text the same purpose may be achieved by deleting the three words "les limites de", so that the French version would then read:

—qui respecte la compétence législative du parlement—

I think the same result would be achieved in both versions by the elimination of these three words and the impasse might therefore be resolved without the necessity of any division of opinion.

Mr. Martin (Essex East): Mr. Chairman, I am sure we are grateful to the Prime Minister for his efforts in trying to resolve what is recognized by all of us as a very desirable and important decision as we deal with this

matter in its final stage. To say "which shall reflect the respect of parliament for its constitutional authority" does not meet the point that we had in mind in putting in any reference to the constitutional authority. What we were seeking to establish was that there are certain matters that reside outside the competence of parliament, and if we simply say "respect of parliament for its constitutional authority" we do not thereby imply that there is a division of powers, and that is the very thing we want to do so as not to offend any provincial powers. I suggest that the idea the minister had originally of putting in the word "limits" as it is in the French is the most satisfactory way of concluding the problem. Otherwise we will not be achieving in the preamble the very thing which all of us in the committee sought, a recognition of the division of powers.

Mr. Spencer: You have it in clause 5.

Mr. Fulton: You have it in clause 5.

Mr. Martin (Essex East): It is true, as the hon. member for Essex West says, that our amendment to clause 5 was accepted this afternoon, but what we want to do is to carry out the main principle of the bill, and to leave the matter in the way it was suggested would be to ignore the very thing about which all of us in the house and the provinces as well are sensitive. We are not interested in invading their powers under section 92 and have no intention of so doing. For that reason we recognize in this preamble that the respect of parliament is for those matters that are within our constitutional authority, and I think the word "limits" sets that out very adequately.

Mr. Herridge: Mr. Chairman, I should like to say a brief word or two on behalf of this group before discussion of the bill is concluded. We support this measure wholeheartedly as a first and important step to protect fundamental rights and human freedoms in Canada. The other day we urged that the government take every advantage of the mood of the provinces at the present time to secure agreement between the provinces and the federal government for the inclusion of a bill of rights in our constitution.

Mr. Martineau: Mr. Chairman, we are now discussing the preamble to the bill. I think it is a good preamble and I wish to take this opportunity to congratulate all those who worked on it and who produced this very comprehensive document. I do not know exactly who the authors of the preamble are but I believe that all members of the committee shared in the drafting, and they did a good job. Like others, Mr. Chairman, I tried my hand at drafting a preamble. I know that the Prime Minister read one yesterday which was very moving in its terms. Even the hon. member for Essex East read his preamble, and it was also very good.

I did not succeed in submitting my preamble to the committee because I found as I worked on drafting it that I could not strike the right note. If I tried to be inspiring I found that I was perhaps too much so and certainly not legal enough. If I tried to be legal I found that I was legalistic to such an extent that I was far from inspiring. Be that as it may, if I may have the indulgence of members of the committee I should like to place before them my thoughts on the subject of a preamble. I am under no illusions whatsoever as to its literary merit and I also know that as a legal document it is hopelessly lacking. I probably got mixed up in all sorts of tenses and the hon. member for Essex East would surely have to move a whole series of new amendments.

However, I should like to place it before the committee as perhaps epitomizing in some sort of way the thoughts which came to me in thinking about this bill of rights which will very shortly, I hope, become the law of the land and perhaps also in some way a creed for Canadians. I beg the indulgence of the committee in putting this preamble before them:

> Oh Canada, land of endless vistas, old as the rocks of time, yet fresh as the newest dawn, forged from the strange convulsions of the earth's bowels, vast, sprawling, sweeping spaces, rich and varied, offering hope and ever renewed promise.
>
> Within these boundaries lives a diverse people, come from the many corners of the earth, of varied strains but together forming one nation, Canadians all, of whatever race, creed or colour.
>
> They still remember ancient ties and fond attachments, but they have pledged to this country alone their mind and heart and soul. They have spread across an entire continent; freely have they taken of its bounty; joyously have they shared its precious heritage.
>
> Country of dual culture and of many races, richly endowed, drawing strength from its very diversity, each element joining together to create a proud, independent and courageous people.
>
> In freedom have men lived here, free to worship God in their own way, according to their conscience, free to express their opinions, to participate in public affairs, to propose changes in governments and laws, free to associate, free to lead their own lives according to their likings and to enjoy their property, restrained only by the rights of others and the general welfare, secure under a law founded on the supremacy of God and equal for all.
>
> Freedom, true today as it was yesterday and will be tomorrow, like a fine golden thread, is the link that binds together the fabrics of this nation, that makes it live and prosper.
>
> When freedom was threatened, Canadians rose to meet the challenge and fought the wars on freedom's side. To this cause they gave their lives because they felt that life in bondage is no life at all. And, in the darkest days their hope never faltered because they knew that freedom can never be stamped out and that, inevitably it rises again, stronger than ever from the ashes of dictators.

But, when the wars were over, quickly they returned to their homes and families and to the pursuit of peaceful ends. Quickly also, they forgave their enemies for they know that all men are brothers.

Clearly do they proclaim that Canada is the land of the free, but they are mindful that freedom is never quite won and eternal vigilance is its price.

Appropriate indeed and useful it is that the fundamental liberties and basic freedoms of Canadians be hereby enshrined and consecrated in a bill of rights.

Thus does the parliament of Canada, pursuant to the sovereign will of its people, solemnly seal its imperishable pact with freedom.

Mr. Caron: Will the hon. member permit a question? Is it his intention to move this as an amendment?

Mr. Martineau: I think I explained very clearly at the outset of my remarks that I had no such intention, that it was not given as a preamble but simply as an expression of faith in Canada.

(Translation):

Mr. Rouleau: Mr. Chairman, I should like to put a question to the hon. member. In view of the importance of this new document, could the hon. member immediately translate what he has just read?

Mr. Martineau: Does the hon. member want an immediate translation?

Mr. Rouleau: Yes, if it is possible.

Mr. Martineau: Well, I drafted that document in English, and I have attempted to translate it. In fact, I have a translation. However, I did not read my French version of the preamble because, having conceived and devised it in English, I found that the rhythm of the original English version is somewhat lacking in the French translation.

(Text):

Mr. Regier: I only want to make a very brief observation at this time. I notice in the preamble the words "acknowledging the supremacy of God", and then I notice a little later on the words "affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law". I feel very sincerely that through the ages lawmakers, whether they have been dictators or parliamentarians, have always attempted to cloak themselves with the mantle of God. I feel that the two terms may very often be contradictory, to speak of the supremacy of God and, in the same breath, attempt to identify with that supremacy the rule of law. The course of history of mankind indicates that more often than not the rule of law has not been identical with the supremacy of God. I feel this is where mankind's efforts to establish institutions of government have so very often broken down.

There is an old saying that when Rome became Christian, the Christian church became Rome. I feel that this point is as valid today as it ever has been. I do not like this identification of the rule of law with the supremacy of God because world history ought to have taught us a few things by now. I feel that in this respect our preamble to the bill of rights has really weakened the bill. I would have preferred no preamble to this attempt to identify the rule of law with the supremacy of God, because I feel that we ought to have learned a little better than that.

Mr. Walker: I know that the hon. member for Burnaby-Coquitlam has different views on this subject, but let me assure him, on behalf of all other members of the house, that I think he stands alone on this subject.

Mr. Regier: World history teaches us differently.

Mr. Walker: However, regardless of that, we in this parliament do want to identify ourselves, and we do want to identify this bill of rights with God. We all feel that in this day of godlessness we in this nation should pride ourselves on our institutions and what they stand for, and in this instance should bring in the name of God. May I say, without any irreverence for the views expressed by the hon. member, that this is very important to us. We feel that this is one of our supreme efforts, in which all parties have joined, and we can do nothing better than couple it with God because we have found in the past, as my hon. friend must admit, that any country that has forsaken God has been very short-lived. We feel that this will be the fate of Russia and any other country that forsakes God.

May I say that I appreciate the remarks made by the hon. member for Laurier and the hon. member for Essex East concerning the contradiction in the interpretation of the word "provision" in French and in English. I do appreciate the suggestions that have been made that the word "limit" should be substituted because it means the same thing in French and in English. Looking at the Oxford dictionary we find that the word "limit" means this: the bounding line or the terminal point. Now, when you apply that to this situation, inserting the word "limit", it would not really mean what we have in mind. If we inserted those words, it would read:

And being desirous of enshrining these principles ...which shall reflect the respect of parliament for the bounding line or terminal points of its constitutional authority.

That is not what we mean at all. We mean that we are desirous of a bill of rights which shall reflect the respect of parliament for its constitutional authority, not just for the outside or extreme limits or bounding line or terminal points of the constitutional authority. If the word "limit" were inserted here as my hon. friends in the best of good faith suggest, I am respectfully suggesting we would be getting away from the principle of this bill of rights because it is not to express the limits of our constitutional authority but it is to express the respect of parliament for its constitutional authority.

My respectful submission, therefore, is that the suggestion of the Prime Minister should be accepted, namely, that the words "the provisions of" should be deleted so that the clause will now read:

> And being desirous of enshrining these principles in a bill of rights... which shall reflect the respect of parliament for its constitutional authority—

Before I sit down may I say that I have been interested in this bill of rights for many years but I have not wanted to interfere in this debate which has gone so well. It has been carried on on our side by the Prime Minister and the Minister of Justice. I could not help but reflect with joy, and with a certain amount of satisfaction, particularly when I saw the hon. member for Essex East, not only climb on the bandwagon but almost steal the bandwagon and attempt to ride away with it. It is true that even yesterday, when he was caught out in what I would not want to call plagiarism, but simply handing out the various parts of the universal bill of rights and saying, you take this clause, you take another; this wholesale plagiarism which took place yesterday and today at least indicated that everybody is interested; even if the thoughts of the opposition are not original but came from the United Nations. Nevertheless, it is a pleasure to see that they are thinking of this subject. They have made a great contribution and, to the hon. member for Essex East, may I say this: While the lamp holds out to burn, the vilest sinner may return.

Mr. Martin (Timmins): I rise at this time to protest the interpretation which the minister has placed on the remarks of the hon. member for Burnaby-Coquitlam. I might say that I have too much respect for the minister's intelligence to believe that this was accidental. This was another of the minister's attempts to smear hon. members in which the minister indulges far too often.

Mr. Walker: Perhaps my hon. friend would explain that.

Mr. Small: I have listened to this debate patiently ever since the Prime Minister first announced on July 1 that the bill of rights would be introduced. I had not the slightest doubt what the result would be, and it was just a question of how long it would take to pass this bill through the house.

It ran through my mind on Dominion day that this would be a very memorable day; to look at it now in a different way it would be a day for a rehearsal. As long as I can remember, on certain days in the year I have been celebrating the benefits of the bill of rights. It was passed in December, 1689, and this was emphasized all the way through the debate. I have listened to the opposition efforts to scotch every particular item of the bill of rights with no effect. Never once did they mention the name of William III, Prince of Orange who made it possible for us to be here today to enjoy the supremacy of parliament.

I was at times a little annoyed while this debate was going on with the obvious stalling, but then I went down while the debate was continuing and read some of the history of the original bill of rights just to bring myself up to date. The passing of that bill of rights followed the same pattern but not in the same sequence as we have followed in this debate; the same procedure went on day after day until they arrived at a conclusion; just as we are doing now.

On that occasion each person put forward a particular right that he wanted put in the bill. They were going to bring in a statute that would make these rights law. They had the declaration of rights; but each of these rights had to be confirmed by a convention.

Each person had a particular grievance and a particular right that he wanted to have incorporated in the bill. They had to make a decision quickly, and they set up a committee to put it in concrete form. An individual who had not sat in the house before, by the name of Sommers, was made chairman of this committee. Within four hours he brought in the bill of rights, which was passed in no time.

The same procedure of reporting the bill then took place. They did not take long to pass the bill. Many of the things that have been discussed here today were advanced in the original bill of rights. What we have decided today is no different than what was decided in the original statute of 1689.

We have always marched behind the banner of William III, Prince of Orange, of equal rights to all and special privileges to none; civil and religious liberties. The same bill of rights of 1689 that accomplished so much in

the past for freedom in this dominion of ours will be carried on, and we can still march in the years ahead under the banner of William III, Prince of Orange. Through the years we in this country and other countries have enjoyed the emancipating principles he laid down, clinched and climaxed by blood in the battles of Aughrim, Inniskillen, Derry and the Boyne in 1690. This was followed by the American revolution and the revolution in France, for which he set the pattern.

We have had the advantage of these great principles in the Dominion of Canada and we will now with renewed ardour continue to march behind the emancipating banners of William, Prince of Orange, to the Prime Minister and the Minister of Justice, who have made this possible with this Canadian bill of rights, for which I extend them my hearty congratulations and thanks in the name of freedom's cause.

The Deputy Chairman: I would like to remind the committee that we are discussing the amendment.

(Translation):

Mr. Pigeon: Mr. Chairman—

Some hon. Members: Question, question.

The Chairman: Does the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) wish to speak to the amendment.

Mr. Pigeon: Yes, I wish to speak to the amendment.

The Chairman: If it is about the amendment, I shall hear him; otherwise I must remind the hon. member that we must first dispose of that amendment.

Some hon. Members: Question, question.

(Text):

Amendment (Mr. Martin, Essex East) negatived: Yeas, 30; nays, 84.

Mr. Diefenbaker: Mr. Chairman, in order to bring about the removal of the dilemma referred to by the hon. member for Laurier and the difficulty that will arise through the dissimilarity in the interpretation of the two official languages, I would like to suggest that we will be able to attain that objective by deleting the words, in the English text:

—the provisions of—

The preamble would then read:

And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a bill of rights which shall reflect the respect of parliament for its constitutional authority—

In the French text you can achieve the same result by the deletion of three words in the twelfth line:

—les limites de—

[Mr. Small.]

It will then read:

(Translation):

In a bill of rights which shall reflect the respect of parliament for its constitutional authority.

(Text):

We would then achieve, as I see it, the objective which the hon. member had in mind, without having the difficulties that would have arisen through the words "provisions" and "limite", because both words are difficult to translate into the other language. If the Minister of Justice would see fit to do so—I cannot move the amendment myself—I would appreciate it very much.

Mr. Chevrier: If I may, Mr. Chairman, before the Minister of Justice moves the amendment, I would like to draw this to the attention of the Prime Minister. The French text, as I understand it, has one clear meaning, and by eliminating the words that he has suggested my point is that he is weakening the French text.

I was attempting to show the difference between the two, and I would not want to see the French text weakened in any way. I fear that the suggestion of the elimination of these words "les limites de" will substantially restrict the meaning of that text. My feeling is that those words were put in there for a definite purpose, and I am afraid, with all respect to the Prime Minister and his desire to be helpful, that the words suggested will in fact weaken the meaning of the French text.

Mr. Diefenbaker: Mr. Chairman, I could understand that argument if it were not for the fact that this afternoon we accepted the amendment to clause 5, which clearly denotes and determines that the legislative ambit is entirely restricted to those things within the federal jurisdiction.

The preamble was drafted before the amendment to clause 5, which was accepted, as I say, by this committee, and under the circumstances I can see no reason why there will be any misunderstanding. If there had been any doubt before, it was removed by the amendment this afternoon which reads:

That clause 5 be amended by adding thereto the following:

3. The provisions of Part 1 shall be considered as extending only to matters coming within the legislative authority of the parliament of Canada.

Following the discussion today we found it possible to arrive at an amendment which would ensure that by no possible interpretation or any other means could it be concluded other than that the bill of rights is exclusively limited to those matters within the federal authority. When the amendment was accepted this afternoon any difference

with regard to the interpretation of the provisions of this bill as might have existed was entirely removed, as I see it.

Mr. Winch: I have one question to ask about something which has puzzled me for a long time. Is it not possible on a matter of principle to reach an accord as between the English language and the French language? I think we lose a lot of time over misunderstandings as between what is in English and what is in French. Surely, as between French and English principles can be handled.

Mr. Fulton: I am certain that that is so, and while I do not claim to be a French scholar I have consulted briefly with some of my colleagues from the province of Quebec and they assure me there will be no difficulty in understanding the words "qui respecte la competence legislative du parlement" which says, in other words, a declaration of rights that respects the legislative competence of the parliament of Canada, and I have pleasure in moving, seconded by the hon. member for Three Rivers:

That the preamble be amended by deleting "the provisions of" where they appear in line 12 thereof.

Mr. Martin (Essex East): I had not intended to say any more on this bill, but having been associated with this matter, as many hon. members have, and knowing every detail of the preamble and the purposes and principles behind it, I must say I cannot accept this proposal. It seems to me that notwithstanding what we did in clause 5 today the situation has not been altered. If the hon. gentleman will recall, when I introduced the amendment to clause 5 I said that notwithstanding the limitations in the preamble of our powers under the constitution it was desirable to restate those limitations in the operative part of the bill for the reason I mentioned, namely the suggestion made by the minister that certain amendments put forward were outside the powers of parliament and that the governing restriction in the preamble did not in any way explain the limitation of powers. Now the preamble is intended to be a reflection of what this bill is, and I suggest to the government that whether they accept the word "limits" or not—I plead with them not to indicate in this preamble that there is no limit to the constitutional authority of this parliament in the matter of human rights and fundamental freedoms.

This bill will pass shortly. It may be the forerunner of a national bill. Let us not give to any province—and there is no reason why we should single out Quebec—the suggestion that we have incorporated in this bill, in its generalization in the preamble, an assertion that there are no limits to the power of the federal parliament in these matters when the law of the land clearly establishes that there are.

This is not a matter of party politics. We have worked together co-operatively to produce a worth-while document. That, I think, parliament has done. Let us not mar that by seeking to take advantage one way or the other. I proposed a word which was not as satisfactory as the phrase "within its competence" but I proposed it because that was the word used in the French text, which gave notice to all and sundry that all we were doing was dealing with matters that came within the powers of parliament under section 91. To say in the preamble, "which shall reflect the respect of parliament for its constitutional authority" does not give notice that there is limitation upon that authority, which there is.

I ask the Minister of Justice in the interest of closing this particular matter with the unanimity that we want to see attached to it, if my word "limitations" is not acceptable let us put some word in that would clearly indicate that we are talking only of matters within our powers. That is the plea I make to the Prime Minister and to the Minister of Justice. They can suggest words which will meet that point. I have no desire not to recognize them as the authors. I simply share with them the desire now to produce a preamble that is going to stand for all time. But let it stand for all time in a way which will not be a false declaration of the condition of affairs under our constitution as between the provinces and the federal government. I do not believe that is an unreasonable request to renew once more.

Mr. Fulton: With the plea of the hon. member, or, rather, with the thought behind it there must, of course, be complete agreement but I suggest that in our anxiety to see in a draft preamble a positive statement of the limitation on our constitutional authority we did actually insert a phrase which is unnecessary and that is "for the provisions of", or "for the limits of" as the case may be. I agree, of course, it should be made clear both by the provisions of the bill itself and by the preamble that we are acting within the limits of our constitutional authority, but I would suggest to the hon. gentleman that there is no harm and much benefit to be derived from the deletion of these words which are not in conformity as between the English and French text, so the preamble would then read:

—a bill of rights which shall reflect the respect of parliament for its constitutional authority—

Surely it must be agreed that if parliament says we are going to enact a bill of rights

which shall respect our constitutional authority, that means that parliament does not intend and could not intend to go outside the limits of its national authority, because I have never heard any suggestion that the word "respect" means other than that you recognize what it is you are authorized to do. So if you say you are going to have a bill of rights which reflects your respect for your constitutional authority you are saying you are having a bill of rights in which you respect the limits in which you are free to act. We have therefore by the retention of those words made it clear that parliament does not intend to act with disrespect for its authority or with disregard for the limitation which the constitution itself imposes upon it.

Amendment (Mr. Fulton) agreed to: Yeas, 88; nays, 29.

Mr. Regier: Mr. Chairman, before the preamble carries I cannot do other than answer the remarks of the Minister of Public Works. I know him well enough to be willing to believe that the hon. gentleman honestly and completely misunderstood what I attempted to say previously. I did not attempt to complain about the acknowledgement of the supremacy of God. What I was complaining about was the inference that exists in the preamble whereby we identify the rule of law with the so-called supremacy of God.

The supremacy of God means many different things to many different Canadians. I believe the hon. gentleman completely misunderstood me in that respect. All authority throughout the ages has always attempted to clothe its authority with the so-called supremacy of God. While I do not advocate opposition to the rule of law I believe the rule of law is not always identical with the supremacy of God as various members of our society may understand that phrase.

I accept the rule of law. I have always attempted to obey the rule of the majority. But let us not be sanctimonious. For a member of the Conservative party and the Conservative government, which government and party have always been willing to worship the economic anarchy we now have, to worship at the altar of individual free enterprise and to take the hide off their fellowman's back, to accuse a member of this group of belittling the principle of the supremacy of God is an expression of the worst order.

Even in our limited Canadian history there have been many Canadians who have had to suffer as a result of the rule of law which in their opinion was at variance with the supremacy of God as they happened to understand it at that time. I have only to refer to the following minorities in Canada who in the course of our limited history have had to suffer because of the rule of law as opposed to the supremacy of God as they understood it: the Doukhobors; Canadians of Chinese origin who are among the latest victims; the Seventh-Day Adventists; Canadians of Japanese origin; the Mennonites; the Hutterites; the Mormons or members of the church of the Latter Day Saints as they are also known; the Baptists; the Jehovah Witnesses and the Hebrews of Canada. If I had enough time I might draw out from the annals of Canadian history many other minorities who have had to suffer because the rule of law had to prevail.

All I meant to do was warn against an important document as this undoubtedly is identifying the rule of law with the over-all rule of God because the two are not necessarily identical.

Mr. Winkler: Mr. Chairman, I hesitated initially to speak with respect to this particular matter and certainly it is not my intention to launch into an extended debate or to in any way be contentious. However, during the discussions in the special committee at the time the preamble was being considered my friend the hon. member for Bellechasse and I discussed this question and delved into it in some detail to find out precisely where we stood in respect of the matter. Our researches led us to a United States authority, "Bouvier's Law Dictionary" which defines religion as the religion established by Jesus Christ. The explanation states in part:

> Christianity is part of the law of the land.

It indicates that Christianity has been judicially declared to be part of the common law of a number of states in the United States and that this practice came from the English law. The explanation continues:

> Christianity was pronounced to be part of the common law, in contradistinction to the ecclesiastical law—Christianity is part of the common law, as its root and branch, its majesty and pillar —as much a component part of that law as the government and maintenance of social order.

It is therefore my contention, Mr. Chairman, and I am sure my friend the hon. member for Bellechasse as well as other hon. members of the committee share this view, that we had no other alternative in adopting this particular preamble and accepting it as it is written, but not in the way the hon. member for Burnaby-Coquitlam has stated the case.

Preamble as amended agreed to.

Title agreed to.

Bill reported.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

The Chairman: Department of National Defence, item No. 217; this item will be found on page 44 of the blue book and the details on page 290.

Hon. G. R. Pearkes (Minister of National Defence): Mr. Chairman, I am afraid the rather plain language with which an old soldier will introduce the estimates for the Department of National Defence this evening will come somewhat as an anticlimax to the poetic language and heights of oratory with which the committee has been treated during the past two days by many learned members.

In introducing the estimates of my department I wish to point out that they have already undergone lengthy examination in the special committee on defence expenditures. The committee in its early meetings, of which there were eight, examined the expenditures of this department during the year 1958-59 and then in 16 subsequent meetings discussions were related to expenditures which are foreseen for the fiscal year 1960-61. I attended all but one of those meetings and I was given not only an opportunity to explain our policy and the steps which we are taking to implement our defence commitments but also individual members asked many questions relating both to detail and also to the defence policy in general.

At the beginning of our discussions of these estimates I made, with the approval of the committee, statements relating to our general defence policy and commitments to the United Nations, to NATO, to the defence of the North American continent and to the role the department plays in survival operations. Copies of these statements were subsequently printed in booklet form and were made available to all hon. members of the house. An additional booklet was also distributed giving information directly related to the 1960-61 estimates, and copies of this, too, were sent to all hon. members.

It is my opinion that these meetings of the committee were extremely useful and the detailed information which was supplied to the committee and the discussion which took place brought about a better understanding of the role that the three services and the defence research board are playing and of the problems that confront the department in this day of advanced technology and rapid changes in military strategy.

In general, I think it is fair to say that the majority of the members of the committee were in favour of Canada continuing to play her part in the combined military forces of the west which contribute to the deterrent against aggression. This opinion was expressed in the report of the committee in which you find that the first recommendation made by that committee reads as follows, under the heading of NATO-NORAD:

> The committee discussed at some length Canada's international defence commitments which are based on the principle of collective security. In particular, it heard evidence concerning the provision of naval, air and ground forces to NATO and air forces to NORAD, and the provision of forces to support the United Nations Organization in the maintenance of peace. Your committee supports these commitments as providing maximum security for the manpower and financial resources contributed.

Then the committee went on to recommend a continued emphasis on the standardization of equipment and the co-ordination of research and development within NATO. With that recommendation I heartily agree. We are endeavouring to assure standardization within NATO, but there are immense difficulties in the way. Each country wishes to provide its own particular type of weapon and each country wishes to support its own industry, a proportion of which is based upon the production of war equipment.

While the committee in general supported these commitments to which I have referred and will refer again, they quite naturally expressed differences of opinion as to how best to carry out the role that has been assigned to the defence forces, and also as to what equipment should be procured. But I think the consensus was that defence was necessary at the present time. Therefore, I wish to express my thanks to the committee, which was ably chaired by the hon. member from London. Members of that committee served faithfully, attending the meetings regularly and without fear expressed their opinions and asked questions. The committee has rendered a valuable work to this House of Commons and I feel that I would again like to express my thanks to all those who served and who helped to frame these various recommendations.

I should also like to assure the committee that these recommendations, of which there are 12 in number, will receive the most careful consideration, not only of my department but also of the government as a whole. Some of these recommendations I shall refer to again in detail in the course of my remarks. Many of them are far-reaching. The last three recommendations which deal with allowances to personnel overseas, design and development personnel and flying by

senior officers are details of administration which I can assure the committee will be looked into most carefully.

In view, therefore, of the information which was supplied to the committee and which has also been made available to the members of the house, in continuing my remarks I am going to surmise that the committee is cognizant of the proceedings of the special committee, and with this in mind I shall endeavour to avoid unnecessary repetition, although to illustrate some of the points upon which I wish to lay emphasis I shall quote from time to time from the special committee's report.

Since world war II the great increase in the power of Soviet Russia has changed the very nature of our defence policy. Today there is no sharp line between peace and war; we live in a twilight zone and this is a new condition.

If you will think back to a few years ago you will realize that no one had ever heard of the expression "cold war". Now, in this twilight zone we are endeavouring to find ways by which we can avoid giving an answer to a choice between nuclear war and the end of our civilization or peace under a communist government. I believe ways can be found eventually which will not make it necessary for us to make that choice. I sincerely trust we shall never be forced into making a choice between those two terrible alternatives.

Diplomacy endeavours to solve these problems through such organizations as the United Nations and NATO, through ad hoc meetings such as the recent ill-fated summit conference and the Geneva disarmament conference and through personal visits of heads of states and foreign secretaries. As the Prime Minister and the Secretary of State for External Affairs have said on more than one occasion, Canada is making every endeavour to bring about a lessening of international tensions and to find means of bringing about permanent disarmament. We pursue this quest relentlessly and sincerely hope that our endeavour will be ultimately successful, but recent international events indicate quite clearly that for the time being at least we must continue to maintain the required military strength.

The threat to our national security and, indeed, to the security of the free world is not only military. It is also political, economic and psychological, and to cope successfully with this total threat Canada must have a total strategy within which all elements, the military, the political, the economic and the psychological are closely co-ordinated and in proper balance. This government endeavours to achieve that aim.

[Mr. Pearkes.]

The state of a nation's economy has always been a controlling factor in the size and shape of its armed forces. The actual amount of the defence appropriations is regulated by government policy. This is affected by many factors, for example, the actual economic state of the country and the apparent imminence or remoteness of the threat.

Two new factors have arisen in recent years which influence the relationship between finance and defence. In the past early defeats could later be overcome though the process may have been costly in lives, materiel and money. Today the result of a nuclear war will be decided by the forces which exist when the aggressor moves. Should our peacetime forces be inadequate or their armament out of date there will be no opportunity to retrieve the situation after the attack has taken place. The aggressor selects the time for the attack. We can only try to estimate, through the meagre intelligence that we can receive, as to when that time may be. It might be within a few months' time or it may be many years hence. Sometimes, because equipment cannot be obtained just when you want it, it is necessary to take a calculated risk, trusting upon the information that one may receive from various intelligence sources that an attack is not likely within a certain period.

The second major effect on the relationship between finance and defence is the length of time required to produce any new weapon. Therefore, before any new project can be undertaken it is necessary not only to obtain an appropriation for the current year but also commitments for three, four or more years in the future. Expenditures for new equipment are usually quite modest in the first year, perhaps nothing more than preparing the blueprints, but they pyramid very rapidly as production gets under way.

Again, within the last decade entirely new factors have entered into our defence policy and planning. The first is that the primary aim of our defence policy must be to prevent war, not to win a war but to prevent war, and thus the importance placed by the west on their deterrent power. In the past it has sometimes been politically desirable to avoid a war. Today nuclear weapons have created a situation in which the main if not the sole purpose of the armed forces is deterrence. To use our armed forces in action would mean, therefore, that the purpose for which we have kept them has failed.

The second factor is that of collective security. Experience during the past half century has proved that no one country can stand up alone against a powerful aggressor. In military matters Canada is quite incapable of providing everything that would

be necessary for her defence. Having adopted the principle of collective security we should no longer think in terms of national defence alone but rather of the total defence capabilities of the alliances in which we have joined. We must, therefore, in order to sustain and strengthen these alliances contribute our fair share of the required forces. This I firmly believe Canada is doing not only to the satisfaction of her own conscience but to the satisfaction of our allies.

It is not to be expected that each partner in an alliance should contribute something to each component of the integrated force but rather that national characteristics, national geographic position and national resources should each be used to the best advantage, avoiding as far as possible duplication and overlapping of effort. We do not consider our defence effort in isolation but rather look at the general effectiveness of the alliances to which we are making contributions commensurate with our ability without placing an undue strain upon manpower and financial resources. While the cost of this insurance is heavy I think Canadians as a whole support the commitments we have undertaken.

The third factor is that our armed forces should always be in a much more advanced state of readiness than in the days before the last war. No longer can we rely upon the leisurely mobilization and training of a citizen force. If the armed forces are not ready when war breaks out there will be no opportunity to recover. Never before has it been possible for an aggressor to launch a completely devastating initial attack. There will be no more recovery from any future Dunkirk or any future Pearl Harbor.

These, therefore, are what I consider to be the three guiding principles of our defence policy, the deterrent, collective security and forces in being. They are not always understood, nor are their implementations easy to apply.

For the reasons which I have already given funds are again provided in these estimates to implement the commitments we have undertaken as a government. These are, as I think the committee knows, first of all the provision of naval, air and ground forces for the defence of the Canada-United States region, in other words the North American continent; second, the contribution to the collective defence and the deterrent forces of NATO in Europe and the North Atlantic area; third, the provision of forces to support the United Nations organization in maintaining its peaceful mission.

I should now like to quote from something I said in the committee in connection with this last commitment, that is the provision of forces to support the United Nations organization in maintaining its peaceful mission. I said in that committee that we maintain in Canada a specially equipped air transportable battalion ready to move anywhere in the world should the need arise. We do maintain that battalion, and that battalion is ready within 48 hours to commence to move to any part of the world. The personnel of the battalion are immunized against tropical and other diseases, and they are organized on a basis of being able to be air transportable, and all their equipment is of a light vehicle nature. The mere fact that they were not required in the present Congo crisis is certainly no reason why we should change our organization in that respect. Under other circumstances this battalion might very easily have been needed. We believe that by maintaining that force we are contributing to what may at some future day be a general international police force, organized and maintained by the United Nations organization. At the present time the United Nations organization has not laid down to the various countries what their contribution to such an international police force could be, and for that reason, because there is no firm request under normal conditions for a definite unit, we also maintain other regular forces in Canada if any further contribution to the United Nations effort is required to prevent the spread of any local war.

Certain personnel in the various corps, particularly the administrative corps, are also immunized against tropical diseases and are maintained at a high standard of readiness so that if the need comes and the United Nations asks for a contribution in any particular case, they are ready. There has been a clear example of that during the last week when a firm request was made from the United Nations organization for certain types of signal personnel and administrative personnel to be made available for the operation of United Nations forces in the Congo.

Then I went on to say in the committee that we attach importance to having forces in being so that they are readily available for these peace-preserving missions. We have announced recently the purchase of various forms of transport aircraft which will greatly increase our capabilities for various missions. I went on to mention the types, the CC-109, a long range transport known as the CC-106, and more recently the purchase of the C-130B, a heavy transport aircraft which can handle even the heaviest equipment in the army. These last named aircraft will not be delivered until later this year, but when we have these new aircraft we will be able to handle, with

our own transport, any contingent which we are likely to be asked for by the United Nations to supply.

Under present circumstances we are operating with a limited number of North Stars which are available for transporting forces which are earmarked for the Congo, and also carrying out other normal duties which they have to do, such as supplying the Canadian forces in Indochina, in Palestine and on the Israeli-Egyptian border. They also, of course, maintain the brigade and air division in Europe. I should have said that they assist in the maintenance of the brigade and air division and the transfer of personnel.

Then, more recently, as was announced by the Prime Minister the other day, we have arranged to purchase four of the De Havilland Caribou aircraft. We have been considering this move for some time, and then this emergency arose. The aircraft has been thoroughly tested and is a remarkable aircraft, unique in its characteristics. No other aircraft in the world is available now which can carry out the functions that the Caribou can. It is able to lift a load of three tons a distance of 500 miles with its ordinary fuel tanks. Larger fuel tanks can be added, which of course will—

Mr. Winch: The minister said 500 miles; did he not mean 5,000 miles?

Mr. Pearkes: No, 500 miles with its ordinary fuel tanks, a load of three tons. It is capable of taking off with a full load in 500 feet. Now this is just the type of aircraft which will be required to supply the forces which we are sending to the Congo, and which may have to maintain signal links with the various brigade headquarters from the centre at Leopoldville. Many of the airfields in the Congo are in a deteriorating condition owing to the fact that it has not been possible to keep up their maintenance. So I think that gives the committee an idea of the state of readiness in which our forces are so that they may carry out the tasks which they may be asked to perform in support of the United Nations.

These commitments—that is, the defence of the North American continent, the contributions to NATO and the contributions we may make toward the peace-preserving efforts of the United Nations—are all aimed at preventing wars. The operations of the United Nations today in the Congo are aimed at that very purpose of preventing the outspreading of some local war.

The forces of the western nations, whether in NATO, in the United Nations police or truce forces, or on the North American continent, are contributing to this over-all deterrent against military aggression. If I keep emphasizing the question of deterrent I do so because that is the main purpose of all our defence forces.

The Acting Chairman (Mr. Jones): I am afraid I will have to interrupt the minister, because his time has expired.

Mr. Winch: May I ask that the minister be given all the extended time he wants to make his presentation?

Some hon. Members: Agreed.

Mr. Pearkes: Thank you, Mr. Chairman. The success of the deterrent depends upon us. When I say "us" I refer to the members of NATO in particular, although it applies to all peace loving countries throughout the whole world. It depends, therefore, on the fact that we and the other peace loving countries are ready and prepared to resist any act of aggression whether it be a minor incursion or a full scale assault. Forces in being and fully trained are required to ensure that any would-be aggressor knows that immediate action will be taken at the first sign of any such attack.

As Canada's part toward the collective defence we have some 20,000 regular naval personnel, 47,000 army and 51,000 air force personnel. It should be emphasized that as long as we continue to meet our present commitments the strength of our regular forces must be maintained and, I think, at approximately their present strength.

I cannot see any possibility of material reductions in the size of our regular forces if we are to be able to maintain the commitments to which I have previously referred.

The Royal Canadian Navy has more ships at sea than ever before in peacetime. It requires men to man these ships. In its anti-submarine role the effectiveness of the navy has greatly increased with the entry into the service of the St. Laurent and Restigouche class of destroyer escort. Six further improved Restigouche-type escorts are now under construction. These ships are considered by naval authorities in the alliance as outstanding anti-submarine surface vessels. They would, of course, be complemented in the event of an emergency by the various other anti-submarine forces of our allies.

It is interesting to note that the standing committee gave consideration to this matter and reported under paragraph 12 of the report, that they had heard evidence as to the substantial submarine threat and the possibility that some submarines may be capable of mounting missile attacks against this continent. The committee noted that substantial

sums are provided in the estimates to improve the anti-submarine capability of the fleet and anti-submarine air arms of both the Royal Canadian Navy and the R.C.A.F. and stated:

> Your committee recommends intensive study of the advantages of acquiring submarines for anti-submarine operations which could also meet the peacetime training requirements of the Royal Canadian Navy.

That study has been continuing for several months now and I hope it will be possible to make a firm recommendation in the not too distant future. In the meantime we do have the services of three Royal Navy submarines which are attached to the Atlantic fleet of the Royal Canadian Navy, and we have recently obtained on loan a submarine from the United States navy for training purposes on the Pacific coast.

Reference was made to the improvement of the anti-submarine capability and I would like to say in this respect that this committee will be interested to learn of the substantial progress that is being made in the improvement of the anti-submarine capability of the fleet through the development of a variable depth sonar at the Atlantic naval research establishment. This device permits sounding instruments to be towed submerged behind our anti-submarine vessels, thus increasing the ability of our ships to detect a submarine at much greater range than heretofore.

The variable depth sonars have been offered by Canada to our NATO allies and I understand arrangements are being made through the armament committee of NATO on a production sharing basis to equip vessels of some of our allies' fleets. H.M.C.S. *Crescent* is now equipped with the original set and it is expected that full production will start early next year.

The army has in my opinion four roles to fulfil: first, the commitment of a brigade group in Europe and the maintenance of sufficiently trained groups in Canada in order to rotate that brigade. With reference to the brigade, the committee, at resolution 14, reported as follows:

> Your committee noted the Canadian brigade group in Europe had been provided with increased fire-power and that sufficient vehicles had been provided to transport all personnel of the brigade.

That was done last year by providing the brigade with wheeled vehicles capable of transporting all the personnel of that brigade. So the brigade may now be referred to as a motorized brigade. Quoting further from the committee report:

> The 762 mm. rocket and its launcher—

That is generally known as the Honest John:

> —are being acquired and provision is made to complete the development of the Bobcat in the 1960-61 estimates.

The Bobcat is an amphibian, armoured, personnel carrier, having various designs which will enable it to carry different types of loads of personnel and their equipment. We expect the final report of the development stage this fall. I hope that if the develoment and the final report show that this is living up to expectations it will be possible to go into production next year.

The committee also recommended giving consideration to the provision of helicopters which would increase the mobility of the brigade. We have that matter under consideration and it is just a question of when funds are to be made available, because I believe that helicopters will certainly increase the effectiveness of that brigade. The committee supports this development to maintain and improve the brigade's mobility and recommend that if the development of the Bobcat is completely successful a decision be taken as soon as practicable with respect to the equipment of the brigade with these vehicles and these helicopters. No one is more anxious than I am to hear the result of the final development of these projects or to see the mobility of our brigade in Germany increase in that respect.

Now the second role that is assigned to the army is the contribution to UNEF, that is, the force on the Israeli-Egyptian border, and other United Nations missions such as Indochina, Palestine and so forth, and the maintenance of a stand-by force on call to meet any further United Nations request.

In connection with the latest request we have had, namely to send personnel to the Congo, I should like to call attention to the fact that Canada has already sent at very short notice 10 fully trained staff officers who are acting on the staff of the general commanding, and, as has already been mentioned in the house, high praise has been given to Colonel Berthiaume who is chief of staff of that force. These personnel are being sent into Africa, in a fever-stricken country where conditions of living are entirely different from those to which they have been accustomed on this continent. Innumerable diseases brought about by a large number of mosquitoes, flies and pests of all sorts are prevalent and therefore I think it would be entirely wrong for Canada to commit her young men to that theatre of operations without taking every care to protect them both by immunizing them against diseases such as cholera, yellow fever, and that sort of thing and also by providing them with the necessary types of clothing so that they will

be able to exist in that country instead of becoming casualties.

The third role given to the army is to maintain a force capable of taking action against any possible commando-type raid in the Arctic or elsewhere in Canada. We have three brigade groups stationed across Canada, one in Quebec and the Atlantic provinces, one in central Canada and one in western Canada. In each of these brigade groups certain personnel are trained to be airborne—and to have experience in living and operating in the Arctic.

The fourth role about which I shall have more to say later is that of having the necessary trained personnel to assist in survival operations in the event that the deterrent to aggression fails. The Royal Canadian Air Force also has important commitments both on this continent and in Europe. As well as maintaining an air lift operation in support of the United Nations, in Europe the first Canadian air division is part of the fourth allied tactical air force. At the request of NATO the government decided to re-equip the eight squadrons now armed with F-86 Sabre aircraft with an aircraft capable of carrying out a strike reconnaissance role. That was the role assigned to our division by the supreme allied commander in Europe.

I do not think the term "strike reconnaissance" is a very good term. It does not really indicate the particular role that our forces have to play. Reconnaissance, yes. They are equipped for carrying out short range reconnaissance. This is not to be interpreted in any way as carrying out what are frequently referred to as spy missions. We have no aircraft capable of carrying out missions of that sort. This is reconnaissance of troops in operation, reconnaissance of the enemy's forces once an attack has started.

So, also, the strike element is far more in the nature of a counter-bombardment element, that is, the enemy has moved, the enemy is carrying out acts of aggression, he is invading part of the NATO territory. Our aircraft would then be employed in order to engage targets of opportunity and centres where communications meet and other targets of a practical nature rather than of a strategic nature as they present themselves. The range of these aircraft is quite limited and they are in every sense a defensive type of aircraft employed in counter-offensive roles. The aircraft selected for this work is the CF-104 which is now being built by Canadair. Much consideration was given before this particular type of aircraft was decided upon, and after we had made that decision I am happy to be able to say that several other NATO countries adopted this aircraft and are employing it, some of them in air defence roles, other in the strike reconnaissance role that has been given to our forces.

Mr. Hellyer: I wonder if the minister would indicate what other countries are using this aircraft in the reconnaissance role.

Mr. Pearkes: Germany, Belgium, the Netherlands, to begin with—I am not certain about Italy—

Mr. O'Hurley: Yes and Italy.

Mr. Pearkes: So much for the air division. On this continent our air force is responsible for the operation and control of the D.E.W. line stations in Canada, the maintenance of the mid-Canada line and the joint maintenance and operation of the Pinetree radar system. Nine squadrons of the CF-100 interceptor aircraft are presently stationed across Canada, complementing United States interceptors and ground to air missiles as a joint defence against the manned bomber.

As has been stated on numerous occasions, the CF-100 will have to be phased out by 1962 as an operational unit. The aircraft has been in operation now for a number of years and is reaching the obsolescent stage. During the discussions in the committee I had the following to say regarding the replacement of this aircraft, and I do not think I can do better than to read what I said there:

> At present the CF-100 all-weather fighter is the Canadian contribution to the manned interceptor forces in NORAD. Of the nine squadrons equipped with these aircraft two squadrons each are located at St. Hubert, Ottawa, Bagotville, North Bay and one at Comox. While it is realized that the period of effectiveness of the CF-100 is limited, no decision with regard to its replacement has been reached yet. However, the R.C.A.F. has investigated various types of aircraft which might be considered should it be decided to re-equip the squadrons in Canada. The realization that such a decision would involve serious financial implications and the knowledge that there are already a considerable number of interceptors in the North American defence complex, coupled with the changing nature of the threat, requires the most careful consideration before a final decision can be reached. There might be some tactical advantage in introducing a more up-to-date interceptor in our Canadian squadrons at this time but whether such a requirement can be given a high enough priority to justify the considerable expense involved is a matter not yet resolved.
>
> The air defence plan for the whole of the North American continent calls for various types of weapons including both manned interceptors and surface to air missiles. But, as I have said before, it may not be necessary for Canada to contribute to all facets of air defence.

The committee recommended that a decision on this matter should be made as soon as possible. I believe I can assure this committee that a decision will be made in the very near future. We have collected a great

deal of material on this subject and I hope we will be able to make a decision very shortly.

The integration of R.C.A.F. personnel into the command and staff structure of NORAD headquarters and at some joint regional and sector headquarters continues. We are really establishing a unified or integrated command between the R.C.A.F. and the United States air force on this continent.

The Royal Canadian Air Force transport command maintains a large fleet of aircraft, as I have said, for the supply and air lifting of service personnel. Air transport command is looking forward to the introduction later this year of its new aircraft, the CC-106's, the CC-109 and the C-130B. In addition, aircraft of the maritime command work in close co-operation with the Royal Canadian Navy anti-submarine forces. The R.C.A.F. also carries out its national and international obligations in search and rescue operations. In connection with the latter in the past year the air force was called upon to organize searches for 36 lost aircraft. In every case the missing aircraft was found and the survivors were rescued from the crash sites. Apart from search operations more than 160 mercy flights were performed to evacuate sick and injured persons to medical facilities.

The air force also maintains a small air support unit for the United Nations emergency force in Egypt. Hon. members will be aware that in recent months R.C.A.F. transport aircraft have played a vital role in various mercy missions and United Nations undertakings.

In March when a severe earthquake struck the city of Agadir in Morocco, North Star aircraft of air transport command flew 6,647 pounds of medical supplies and medical personnel as a Canadian contribution to the distressed people of the area. In May when a series of earthquakes ravished areas of Chile, five North Stars of transport command flew 25 tons of food, shelters and medical supplies and two Canadian army field hospitals to the areas as a Canadian government gift to the Chilean people. These aircraft subsequently remained in Chile and provided 18 shuttle flights between Santiago and various Chilean points transporting evacuees and supplies.

Four North Star aircraft of the R.C.A.F. air transport command have just recently been engaged in flying food totalling 42,000 pounds from Canada to the Belgian Congo. These aircraft were then made available to the United Nations to transport from Pisa, Italy to Leopoldville. Only today it has been announced in the press that Group Captain Carr of the 412th squadron and a team of staff officers have been sent to the Congo where they are organizing the entire transport command of the United Nations force there. These are all young officers who have had considerable experience. They have been trained for this particular task and their ability is recognized by the United Nations who have asked for these personnel.

Closer to home, six R.C.A.F. transport aircraft, together with civilian air lines and private companies, combined in the emergency evacuation of women and children from Gagnon, Quebec when a forest fire threatened to get out of control and envelop the town in May of this year. Only at the end of last week a request came from British Columbia for help in connection with the many fires which are raging in that province. We were able to send helicopters and aircraft which rescued some of the firefighters just in the nick of time. They have carried out invaluable work in reconnaissance of the areas which are now being burned and in transporting personnel. That broadly, I think, illustrates the general disposition of our service personnel. Many of these moves were undertaken at very short notice and the personnel were on their way in a matter of a few hours. I believe that indicates that there is really not the confusion and muddling in the Department of National Defence which has sometimes been suggested exists.

I should like to mention various commands under which the forces served. As I said before, the deterrent consists of sea and land forces with the required ground and air support in Europe plus the retaliatory forces consisting in the main of the aircraft and missiles of the United States strategic air command. These two forces complement each other. It has been suggested—I think quite incorrectly—that since the main deterrent is massive retaliation and since Canada does not contribute directly to this retaliation, we should withdraw our forces from NATO and seek for the dissolution of NORAD.

Mr. Winch: Mr. Chairman, may I interrupt to say that since it is now six minutes to eleven and the minister is launching on what I believe is a major policy statement, would the minister care to call it eleven o'clock?

Mr. Pearkes: Just as the committee wishes: I am afraid I cannot finish in the course of five minutes.

Mr. Hellyer: Can the minister give us any indication of how long he would require? If it is not too long, the committee might give him a few extra minutes.

Mr. Pearkes: I am afraid it would take some considerable time, more than half an hour at least.

Mr. Winch: I think it would be better if the minister made his statement without a break, and I suggest that we call it eleven o'clock.

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what we shall be doing tomorrow?

Mr. Churchill: Mr. Speaker, I think we can start off tomorrow with the third reading of Bill No. C-79, for the recognition and protection of human rights and fundamental freedoms. Since the only other legislative item on the order paper is Bill No. C-89, to amend the Judges Act, we might follow with that, and then continue with the estimates of the Department of National Defence.

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

HOUSE OF COMMONS

Thursday, August 4, 1960

The house met at 11 a.m.

MISCELLANEOUS PRIVATE BILLS

Twenty-first and twenty-second reports of standing committee on miscellaneous private bills—Mr. McCleave.

BUSINESS OF THE HOUSE

STATEMENT ON RESUMPTION OF DEBATE ON CAPITAL PUNISHMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with leave of the house, and I hope leave will be granted, I should like to bring up the question of what date might be set aside for discussion of the question of capital punishment. There were two bills before the house, one introduced by the hon. member for York-Scarborough and the other by the hon. member for Vancouver East. After we had discussed the matter for a couple of days the question arose whether or not a further opportunity would be given to the house to discuss this very important measure, and also the problem in general of the infliction of capital punishment. On a number of occasions since questions have been asked as to when that date would be, I made it perfectly clear that we on this side of the house would be most anxious to have the fullest possible discussion of this question which is of such paramount importance.

My recollection is that the last occasion on which the matter was mentioned was July 18. There may have been later occasions but at the moment they do not come to mind. At that time the Leader of the Opposition asked this question, as found on page 6410 of *Hansard*:

> Has the government any plans for the resumption of the discussion of capital punishment?

To which my reply was:

> As the hon. gentleman knows, plans were made some weeks ago and were made known to the house. As soon as the legislative program and the estimates have achieved that degree of completion which I believe is necessary, then with the co-operation to which the hon. member for Laurier referred, I am sure that a day will be set aside for that purpose.

The Leader of the Opposition then added these words:

> What degree of completion does the Prime Minister consider necessary so that we may resume the discussion?

To which I replied:

> The order paper is a pretty good indication, together with the estimates still outstanding.

The hon. member for Assiniboia then added some comments in this regard but more particularly directed to the question of consideration of extending the vote to those 18 years old. I wish to give hon. members the opportunity to express themselves with regard to resumption of the debate on capital punishment. Any day that would suit hon. members would be acceptable to the government.

We have now arrived at that point where, if hon. members in various parts of the house desire to debate this subject, it will be done. To that end I ask not only for the views of the Leader of the Opposition but also for those of the two hon. members to whom I have already alluded, whom I feel sure the house would want to hear, as they have taken a particular interest in this matter and have respectively introduced bills in this regard.

Mr. Speaker: The Prime Minister has suggested that the house give leave to permit a more extended discussion than would be in order without a motion before the house under routine proceedings. Is it the pleasure of the house to permit the discussion proposed?

Some hon. Members: Agreed.

Hon. L. B. Pearson (Leader of the Opposition): My contribution will be short, Mr. Speaker. I think it is quite appropriate that the Prime Minister should have brought this matter up at this time. My own view is that we should complete the legislation that is on the order paper, and then certainly complete the consideration of the defence estimates. When that is done, perhaps the Prime Minister will be able to tell the house the views of the government and the supporters of the government on this matter. Naturally, we in the opposition will do our best to accommodate ourselves to those views. Perhaps on consideration, the Prime Minister might think a week from today would be a satisfactory day, but whatever position the Prime Minister and the government may take we will do our best to meet it.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, the words of the Prime Minister are of the utmost importance, and I appreciate very much the fact that he has

taken the opportunity of raising this subject at this time before the orders of the day are called. I do not have to tell you, sir, or the house, of my 25 years' interest in this matter of the abolition of capital punishment. There was in the early days of the session a two-day debate, and the understanding was given by the Prime Minister that a third day would be made available. This matter is of such importance that I feel a third day of debate on a private member's bill, which I seconded, should not be held in the dying days of this session.

I believe, sir, that we had a very good discussion for two days. If my information is correct I believe that, at the conclusion of the second day of debate, there were in the neighbourhood of 37 members who still wanted to speak on this issue. I do not know quite how to put what I have in mind, but having debated the subject for two days and it now being near the end of this session, in view of my 28-year fight in parliament both in British Columbia and here against capital punishment, I would hate to see a hasty decision made in this house. It is not so much a matter of seeing whether the bill introduced by the hon. member for York-Scarborough, which I seconded, would be defeated, but it is a matter which requires a quiescent, sensible and reasonable decision.

Therefore, Mr. Speaker, much as it may break my heart, because I want to see my objective reached I am afraid, sir, it would not be reached if a decision were taken by the House of Commons to sit an extra day at this point in the session.

Therefore, because I believe in the objective and not in expediency, I hope the mover and seconder of this motion will agree with me that perhaps greater progress will be made toward our objective by agreeing now that a further day be not taken this session, because I believe from what I heard from the Prime Minister that consideration is being given by the government to the entire question of capital punishment and no objections have been raised to the matter being reinitiated at the next session of this House of Commons.

So, sir, on that basis I believe those of us who believe in the abolition of capital punishment might have our objective set back if at this time there were a further debate. Therefore, sir—and I am only speaking personally—I say I will accept the idea that there shall not be a further debate on capital punishment at this session. But it will be raised at the next session.

Some hon. Members: Hear, hear.

[Mr. Winch.]

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I am prepared to withhold my remarks if somebody wishes to make some contribution from the ranks of the official opposition, but barring that I would like to begin by expressing my appreciation to the members of the house, to the government and to those who co-operated in making an unprecedented two days available for the debate on the bill which I had the privilege of introducing.

The hon. member for Vancouver East and others who have already made their contribution to this debate are in a curious position. I am more concerned with the people who expressed a desire to speak, who were next in line and further down the list, than in those who have already spoken. However, I would be less than honest if I did not say to the house that most of the members—I am speaking purely from memory here—who indicated a desire to speak in addition to those who have already spoken have shown an increasing reluctance to resume the debate and to insist on accepting the undertaking given to the house by the Prime Minister earlier.

If I were to interpret the wish of the house in this respect, I would judge the feeling of this chamber to be that the debate be not continued this session but that we reinitiate it at the beginning of the next session of parliament.

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, as one who participated in the second day's debate on capital punishment some months ago, I feel there is such a thing as consistency. I also feel that the Canadian public will be very critical of any decision made by this house to break its own word. The public generally anticipate this additional day of debate. They anticipate a decision by this house. It has been indicated in a number of ways that this has become one of the foremost questions in Canada. My own personal feeling and my own stand on this question is that we should take the additional day now.

Mr. G. W. Montgomery (Victoria-Carleton): Mr. Speaker, like many others I participated in this debate on the second day. It is not because I have said what I wanted to say that I would like to see the debate cut off now, but at this late period in the session I do not believe it is a subject which will hold a lot of members here.

I feel that there are many members who may wish to express views on this bill, either for or against the retention of capital punishment. I think it would be much better to follow the suggestion of the hon. member for Vancouver East (Mr. Winch) and not

have that debate this session but have the matter brought up again next session.

I cannot agree with the hon. member across the aisle who says that he feels the public expects us to make a decision on this matter now. Mr. Speaker, I am telling you and hon. members here that there are strong opinions both ways, and I believe it is a matter which could very easily be laid over and members could get the feeling of their constituents during the recess. It might cause some to change their minds, but at least it can be kept a live subject.

I would be against continuing the debate this session.

Mr. Winch: Mr. Speaker, I have been informed by a member of the government that he thought I said I had spent 28 years fighting against abolition. I cannot understand my saying that, so may I say right now that I have spent 28 years in a fight to abolish capital punishment.

Mr. John MacLean (Winnipeg North Centre): Mr. Speaker, I am one of those who would like to participate in a third day of debate on this question. However, at this point of the session I think the issue simply revolves around two points.

One is that at this point in the session there are many members who are unavoidably absent who would like to participate in a third day of debate, and therefore it would not be fair to them to hold a third day's debate at this time. The second point is that if we are going to have a third day of debate, perhaps the house would then want the issue to come to a vote. There again, with many members unavoidably absent, a vote taken on the question at this time in the session would not, to my mind, have any great significance.

For these reasons, Mr. Speaker, I would like to see the third day adjourned and the debate reconvened at the next session.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, something has been going on this whole session which I think is relevant to this particular point here, and it is the right of private members to introduce and speak on bills in this house. We have had a cynical demonstration of the ignoring of such rights of private members by a certain group in this house; the filibuster on divorce bills, to be specific.

Mr. Speaker: Order. The hon. member is not speaking to the specific question.

Mr. Bigg: The specific question, sir, is whether or not we stay and finish the debate on capital punishment. May I say that the hon. member for Vancouver East is not the only one interested in the abolition of capital punishment. This bill was introduced by the hon. member for York-Scarborough some time ago. A good many of us have not spoken on this subject yet. I feel that our time as private members has been cynically abused. I should like to speak on this bill myself, and I find it may be impossible for me to be here. This is also true of some hon. members of the group in question.

Mr. Winch: May I say I will be here until the house closes.

An hon. Member: Who cares?

Mr. Diefenbaker: Mr. Speaker, I would have hoped that the Leader of the Opposition would have been able to give an indication as to his views. I have no criticism in what I am about to say, but in view of the viewpoint expressed by him I could do nothing other than bring this matter before the house, having undertaken to do so. If I were now to say that regardless of the final decision in this regard on his part we were not going to proceed, then I would be in an equivocal position that I do not desire to be in. Therefore I presume that unless there is a decision on the part of the official opposition to the effect that it is willing and desirous of having this extra day devoted to the discussion of the subject, as promised, we will have no other course open to us than to proceed accordingly.

I want to add that the undertaking given will be carried out unless the house with reasonable unanimity, and particularly with the support of the opposition, relieves me of the responsibility which I accepted and which I am prepared to carry out.

In saying that I wish to tell the hon. member for Vancouver East that if this matter is not proceeded with at this session I would not want to be held responsible for the implication in his words that the government intends to take direct action at the next session. I am not going to be bound in any way by that. I simply point out that there is no reason at all for not going ahead. The fact that some hon. members are unavoidably absent is not an excuse for not proceeding. We are not looking for any excuse not to proceed. That is why I put it up to the house. I hoped that the opposition might have indicated one way or the other a final decision in this regard.

Mr. Winch: I did not indicate that perhaps definite action would be taken at the next session. I hope it will be, but I did not say it would. I hope that the question of capital punishment will be reopened next session. In view of the statement by the Prime Minister I want to say on behalf of this

group that if there is not unanimous consent concerning not proceeding with this discussion for the third day, we will be here for that day when the discussion is resumed.

Mr. Pearson: Mr. Speaker, in view of the Prime Minister's statement that the responsibility for the decision in this matter—and this is a strange statement to me—rests on the opposition, perhaps it would clear matters up if I were to read from *Hansard* of June 14, as reported at page 4878, what the Prime Minister said in connection with this matter when it was brought up. This may make possible a decision. The Prime Minister said:

> The interpretation given to the words I used in the house in connection with this matter was that a further day would be allowed or provided for. That being so, while there is much yet to be done, I feel the proper course to follow would be this. Consultation having taken place among the leader of the house, the hon. member for Laurier and the hon. member for Assiniboia,—

I have no knowledge that that consultation has taken place. I continue:

> —if a motion made later on in the session to provide a private members' day were accepted by the house, then an opportunity would be provided to deal with this and other matters that are appropriate to a private members' day. In other words, the undertaking given is being carried out. The house will have an opportunity on a private members' day later in the session, when we have removed from the order paper many of the things which require to be done, to discuss the bill of the hon. member for York-Scarborough.

I have told the Prime Minister now that if the Prime Minister and the supporters of the government wish to make a proposal to this house modifying in any way what has previously been said, we will do our best to accommodate ourselves to the view of the majority of the house.

Mr. Diefenbaker: That is the very point I want to make clear, Mr. Speaker. It is not placing the responsibility elsewhere. I gave an undertaking and the house can relieve me from that undertaking. That is why I asked the Leader of the Opposition, occupying as he does the highest position as leader of the official opposition, whether or not he desired that the understanding shall be carried out.

Mr. Pearson: Mr. Speaker, may I ask the Prime Minister what he had in mind when he said:

> —if a motion made later on in the session to provide a private members' day were accepted by the house—

Has such a motion been made?

Mr. Winch: In view of the statement the Prime Minister has made about the commitment, we agree that the day should be forgone now.

[Mr. Winch.]

Mr. Pearson: Mr. Speaker, the question I asked the Prime Minister is what interpretation he gives to the statement he made on June 14, when he said:

> —if a motion made later on in the session to provide a private members' day were accepted by the house, then an opportunity would be provided to deal with this—

Mr. Speaker: In the absence of any motion or further discussion is there any further business under motions?

Mr. Benidickson: Who is running the country?

Mr. Robichaud: Government without responsibility.

TELEVISION

BRITISH COLUMBIA—REPORTED RECEPTION INTERFERENCE BY VICTORIA STATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Minister of National Revenue, as the minister responsible for reporting to the house on radio and television. I notified him yesterday of my desire for certain information. In view of the fact that all members of the House of Commons from the lower mainland of British Columbia are being swamped with complaints that Victoria station CHEK-TV is blanking out reception on other channels, is the minister in a position to advise us what action is being taken in this matter?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I realize that this is an important matter to hon. members not only from Vancouver but from Vancouver island and various parts of British Columbia generally. Yesterday the hon. member for Vancouver East gave me notice of this question. On that same day my colleague the Secretary of State for External Affairs spoke to me about this matter, as did the hon. member for Coast-Capilano. The hon. member for Vancouver South and other hon. members from the island of Vancouver, the city of Vancouver and other parts of that province have also spoken to me with respect to this question during the last few days. It is a technical problem, Mr. Speaker, and one which falls strictly within the jurisdiction of the Department of Transport officials who, of course, advise the board of broadcast governors on technical matters.

I am told that the officers are fully cognizant of this and that they are giving the problem careful study. Examinations are being made now, and I think the matter is also being taken up with the board of broadcast governors. Every step will be taken by

the responsible officials concerned to see that the interest of the listening public is safeguarded.

PRIVILEGE

MR. CHURCHILL—REFERENCE TO CONSULTATIONS ON HOUSE BUSINESS

On the orders of the day:

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I rise on a question of privilege, based upon the remarks made by the Leader of the Opposition just a few minutes ago in reference to myself. I have looked up *Hansard* regarding the statement made on June 14 by the Prime Minister about consultations that might take place among the leader of the house, the hon. member for Laurier and the hon. member for Assiniboia.

The Leader of the Opposition said he had no knowledge of any such consultation having taken place. I am not responsible for reports to the Leader of the Opposition from members of his party, but I should like to point out that on Monday of this week a committee consisting of two representatives of the Liberal party, two from this party and two from the C.C.F. party met at nine o'clock in the office of the whip and discussed business of the house, including this question of whether there should be another day allotted for the purpose of discussing capital punishment. The answer given on that occasion was similar to the answer given today by representatives of the two parties on the other side of the house.

The implication in the remarks of the Leader of the Opposition that consultation had not taken place is the matter that I deal with as a matter of privilege. It is not the first occasion on which the Leader of the Opposition has attempted to imply that consultations had not been arranged, as mentioned in the house; and the fact that he has no knowledge of what has taken place is not my responsibility whatsoever.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the government will not be able to get out of its responsibilities by these observations. On June 14 the Prime Minister made the statement which I put on the record this morning. The minister says the matter was brought up at a meeting on Monday of this week—

Mr. Winch: May I say one word on this very important matter?

Mr. Speaker: Order. The question of privilege has been disposed of, and we are now waiting to call orders of the day.

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Mr. Harold E. Winch (Vancouver East): I rise on a question of privilege, in view of the statements made by the house leader and by the Leader of the Opposition. My question of privilege is, if there is a committee representing all parties, trying to work out the business of this house, why is a matter which is discussed in the committee in trying to arrange a decision denied—

Mr. Speaker: Order. The hon. member is not raising a question of privilege. We have concluded the discussion which the house permitted.

NATIONAL DEFENCE

NORAD—RESTRICTION OF CIVIL AVIATION ON SEPTEMBER 10

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister anything to add to the statement he allegedly gave to the press indicating support by his department of an order restricting civil aviation from 2 a.m. to 8 a.m. on September 10 in order to facilitate a general NORAD alert.

Hon. George H. Hees (Minister of Transport): No, Mr. Speaker.

Mr. Hellyer: A supplementary question, Mr. Speaker. Can the Minister of National Defence indicate the extent to which Canadian air squadrons and facilities are being involved in this alert?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, this is a NORAD exercise being carried out by the North American air defence command. Canadian squadrons may be called upon to take part in that exercise, as they are part of the North American air defence command. The extent to which the various squadrons will take part, of course, depends upon the general course of the exercise.

POLYMER CORPORATION

CONSIDERATION OF SALE BY GOVERNMENT COMMITTEE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I have a question for the Minister of Defence Production, arising out of the great contribution made by the Polymer Corporation over the years and the large profit paid into the national treasury along with the lower consumer prices for rubber goods of all kinds. My question is, can the minister now give us a report from the cabinet committee that the Polymer Corporation will remain the property of the people of Canada?

Hon. Raymond O'Hurley (Minister of Defence Production): No, Mr. Speaker.

Mr. Argue: Can the minister say when the study may be completed and when this urgent question of the future of the Polymer Corporation may be decided?

Mr. O'Hurley: When a decision is reached by the government it will be announced.

UNITED NATIONS

CONGO—BILINGUAL ABILITY OF SENIOR CANADIAN OFFICERS

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the fact that French is the language currently spoken in the Congo, can the minister inform the house whether Colonel A. Mendelsohn, senior Canadian army officer in charge of our troops in the Congo, Major Bindoff, who will command the signal force, and Lieutenant Colonel Webb, the senior army administrative officer, are bilingual; and by "bilingual" I mean do they speak French fluently as well as English?

Hon. G. R. Pearkes (Minister of National Defence): To the best of my knowledge all those officers are bilingual.

Mr. Ricard: Why did he not ask his question in French?

Mr. Grafftey: Liberal divide and rule all over again.

TRANSPORT

REPORTED INEFFICIENCY OF APPROVED LIFE PRESERVERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): May I direct a question to the Minister of Transport, Mr. Speaker. Has the minister received any complaints from organizations or individuals bringing to his attention the fact that a number of persons have been drowned recently while wearing life preservers stamped "Canada approved", and that the drownings occurred because the life preservers brought about an imbalance in the body, causing the head to be immersed?

Hon. George H. Hees (Minister of Transport): No such complaints have been drawn to my attention, but I will make inquiries in the department to find out whether any complaints have been received by the department, and get all the information I can for the hon. member.

LABOUR CONDITIONS

TORONTO—STRIKE OF IMMIGRANTS EMPLOYED IN CONSTRUCTION INDUSTRY

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I should like to address a question to the Minister of Citizenship and Immigration. Has the attention of the minister been drawn to the fact that in Toronto some 25,000 immigrants employed in the building industry have walked out on strike because they felt they were being discriminated against? Can the minister give—

Mr. Speaker: Order. The hon. member's question seems to me not to relate to the ministerial responsibilities of the Minister of Citizenship and Immigration. The fact that a strike is taking place is not the responsibility of that minister, and the fact that they are immigrants who are on strike makes no difference.

Mr. Crestohl: In this instance it did; therefore I thought the Minister of Citizenship and Immigration might be interested. Because they are recent immigrants to Canada, perhaps the Minister of Labour may be able to deal with the question and explain to the house what was the discrimination and why the 25,000 immigrants left their employment.

Hon. Michael Starr (Minister of Labour): Will the hon. member repeat the whole question?

Mr. Crestohl: Has the attention of the minister been drawn to the fact that in Toronto some 25,000 immigrants, employed in the building industry, have walked out on strike because they were being discriminated against? Can the minister give the house any information as to the nature of the discrimination, and why they walked out?

Mr. Starr: Mr. Speaker, I read about this incident in one of the Toronto papers, but I must point out to the hon. member that I do not know what the nature of the discrimination was or the reason for the walkout, because this trade comes completely under provincial jurisdiction.

INDUSTRY

BRITISH COLUMBIA—REPORTED DIFFICULTIES OF PLYWOOD INDUSTRY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Labour. I have received, and I think all Vancouver members and members of the government have also received, a telegram to the effect that the plywood industry of British Columbia is on the verge

of collapse and asking the government to take action to try to revive it. I know this is a difficult matter, but can the minister tell us whether any consideration is being given by his department to helping the plywood industry of this country?

Hon. Michael Starr (Minister of Labour): A matter of this nature does not come within the ambit of the Department of Labour. Any action that might be taken would of necessity be government action. In this regard this matter has not been considered, nor has it been brought to our attention in the same light as the hon. member has put his question.

Mr. Winch: I should like to ask a supplementary question. I believe that the original telegram was sent to the Prime Minister. Has the Prime Minister received a telegram from British Columbia with respect to additional lay-offs in the plywood industry of that province and asking for federal government assistance to maintain the industry?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, obviously it would be impossible for me to answer that question without looking at the record. I shall do so and answer tomorrow.

[*Later:*]

Mr. Winch: I should like to direct a question to the Prime Minister. In view of the fact that British Columbia is an exporting province and that the timber industry, the major industry in its economy, is now in difficulty, can the Prime Minister inform us whether or not it is possible for an examination of the situation to be made by the government with a view to assisting the forest economy of British Columbia?

Mr. Diefenbaker: Mr. Speaker, the question of the forest economy naturally is of pre-eminent importance. That was why we asked parliament to set up a department of forestry. Every industry of importance in this country is at all times receiving the fullest consideration. It is interesting to hear this expression of viewpoint, because it is only a few days ago, as I recollect, that the premier of that province spoke in the most euloglistic terms of the progress being made there.

Mr. Winch: He is facing an election, so we can expect that.

GRAIN

ACREAGE PAYMENTS—REQUEST FOR STATEMENT OF GOVERNMENT POLICY

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether he is in a position now to announce the policy of the government in respect of the request made by the western liaison committee of grain producers for acreage payments?

Right Hon. J. G. Diefenbaker (Prime Minister): No.

Mr. Speaker: The hon. member for Durham.

Mr. Pearson: A supplementary question. Will the Prime Minister be able to announce the policy in this matter—

Mr. Speaker: Order. I have already recognized the hon. member for Durham. I will come back to the Leader of the Opposition.

[*Later:*]

Mr. Pearson: Mr. Speaker, I should like to ask a supplementary question. Can the Prime Minister give the house some information as to how arrangements are coming along for the proposed meeting with the western liaison committee?

Mr. Diefenbaker: Mr. Speaker, there has been communication with the liaison committee, and the committee has been advised that when a date has been fixed a meeting will take place. In the meantime may I point out that the fullest representations with regard to this important matter have been made by the many members from western Canada supporting the government. They have made most clear the desires and wishes of their people and are able to speak for them.

[*Later:*]

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister arising out of his very interesting statement as to the government's policy with reference to western farm income. Can the Prime Minister say whether even one of the members around him has recommended the payment of deficiency payments?

Mr. Speaker: Order. The hon. member is now getting beyond the proper scope of questions on orders of the day.

COMMONWEALTH RELATIONS

SOUTH AFRICA—EFFECT OF REFERENDUM RESULT ON COMMONWEALTH MEMBERSHIP

On the orders of the day:

Mr. Percy Vivian (Durham): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the reported statement of the Prime Minister of South Africa that he would seek a referendum as to the views of his people with respect to a republic, should that become a fact what effect will it have on the readmission of South Africa as a member of the commonwealth? Would the Prime Minister care to comment?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Prime Minister of South Africa has announced that a referendum will take place in that country, I think on October 5, to determine whether South Africa desires to become a republic. That decision is a matter for the people of South Africa, as was made abundantly clear in the communique following the prime ministers' conference in London. In the communique then issued it was made clear that the decision whether or not South Africa would then be admitted to the commonwealth would be a question to be decided at that time.

When I answered a question respecting this matter some weeks ago I made it clear that no undertaking had been given by Canada as to what Canada's attitude would be, for to do so might well constitute an interference with the rights of the people of South Africa or with the course that might be followed by the people of South Africa when voting on the referendum. I am glad that Prime Minister Verwoerd has underlined the correctness of that stand.

Further than that I would not want to go, for to do so might well constitute an invasion of the rights of the people of that country or might have an effect on the voting on the referendum, which is their own decision.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, perhaps I might be permitted to say that I think the attitude of the Prime Minister on this very important question is entirely correct.

INQUIRY FOR RETURNS

COLUMBIA RIVER HYDRO DEVELOPMENT—LICENSING OF TELEVISION SATELLITES, SLOCAN VALLEY AND ARROW LAKES, B.C.

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Secretary of State. On July 13 the house passed a motion for the production of papers and documents relating to the Columbia river, and on July 20 another motion for certain documents with respect to television in the Kootenays. Will the minister kindly make inquiries and find out whether my curiosity is going to be satisfied before the session ends?

Hon. Leon Balcer (Acting Secretary of State): I will be very pleased to satisfy the curiosity of the hon. member.

[Mr. Vivian.]

HUMAN RIGHTS

MEASURE PROVIDING FOR RECOGNITION AND PROTECTION OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

Right Hon. J. G. Diefenbaker (Prime Minister) moved the third reading of Bill No. C-79, for the recognition and protection of human rights and fundamental freedoms.

Hon. Paul Martin (Essex East): Mr. Speaker, I move, seconded by the hon. member for Fort William (Mr. Badanai):

That Bill C-79 be not now read a third time but that it be referred back to the committee of the whole for the purpose of reconsidering an amendment to clause 1 as follows:

"That the following paragraphs be added after present paragraph (b):

(c) The right of the individual to the protection of the law against arbitrary interference with privacy, family, home, or correspondence, and against attacks upon his honour and reputation.

(d) The right of the individual to freedom of movement and residence within the borders of Canada.

(e) The right of the individual to leave the country and to return to the country.

(f) The right of nationality and the right to change nationality.

(g) The right of the family to protection by society and the state as the natural and fundamental group unit.

(h) The right of the individual of equal access to public service.

(i) The right of the individual to social security and his entitlement to realize the economic, social, and cultural activities indispensable for his dignity and the free development of his personality.

(j) The right of the individual to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity and supplemented, if necessary, by other means of social protection.

and that the remaining paragraphs of clause 1 be relettered accordingly.

Mr. Speaker: May I say that in my view the amendment which has been moved goes far beyond what I would consider to be an appropriate amendment on third reading. Before definitely ruling, however, I would be pleased if hon. members would elaborate on the point that the amendment goes far beyond the scope of the bill which is now before the house.

The references in Beauchesne's fourth edition which bear most directly on the point are in citations 415 and 418. The first one, at the bottom of page 287, the last paragraph of citation 415, reads:

On the third reading of a bill, an amendment to refer back to the committee of the whole must not tend to change the principle approved on the second reading.

Then citation 418, on the next page, the second sentence, reads:

All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

Further down in the same citation I read:

> This cannot be done on the third reading because it is not directly connected with any provision of the bill.

I have not had an opportunity, as the hon. member who moved this amendment appreciates, to study it carefully, but some of the matters I think might very well have been the proper subject of amendments. However, unless I can be persuaded to the contrary, I feel that the latter two clauses definitely go beyond the scope of a juridical bill which contains certain rights enforceable by the courts and go into the field of economic rights, which to my mind would depart from the principle approved on second reading.

Mr. Martin (Essex East): Your Honour has referred us to citation 415 which, I submit, does not preclude this amendment. I would suggest to Your Honour that consideration of the amendment will indicate that all the matters referred to in the amendment now before the house were voted on when this house considered the bill in committee yesterday. There were some amendments that were declared out of order yesterday, and which are not here included. There is no new principle being put into this bill. All we are seeking to put in is to add certain rights that are not contrary to the principle of the bill. Citation 415, to which we were referred, reads:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

It seems to me that is the qualifying phrase in that paragraph.

> The motion for third reading is debatable under standing order 32. Or the bill may then be ordered to be reprinted or committed to a select committee.
>
> (2) Bills may be recommitted a number of times with or without limitation; in the latter case, the whole bill is opened to reconsideration, but in the former case the committee can only consider the clause or amendments or instructions referred to them. When material amendments are desirable, the order for the third reading may be discharged, and the bill recommitted to introduce the amendments in committee.
>
> (3) A bill may be recommitted, amended in committee, reported, considered on report and read a third time at the one sitting by simple order of the house.

It seems clear, I would submit with confidence, that the amendment I have proposed is within our rules. As I say, there is nothing proposed in this amendment that was not voted on yesterday. In other words, what was regarded in committee yesterday as being in order must be regarded as in order today. We are not seeking to change the principle of the bill. We are seeking to strengthen the principle of the bill. For these reasons I submit that the amendment is in order.

Mr. G. J. McIlraith (Ottawa West): I wonder if I might be permitted to say a word on that point. I have particular reference to paragraph 1 of citation 415, which says:

> When a bill comes up for third reading a member may move that it be not now read a third time but that it be referred back to the committee of the whole for the purpose of amending it in any particular.

It will be observed that the amendment moved is that the bill be referred back to the committee for the purpose of reconsidering an amendment to clause 1. Clause 1 of the bill is the clause containing the enumeration of rights, and it reads:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely—

Then follows an enumeration of the particular rights. The amendment is to the effect that when the matter is referred back to the committee it is for the purpose of considering and amending clause 1 as follows, and there is a change in the enumeration of the rights that are recognized and declared to have existed. In other words there is no change of principle in any respect, but there is a better elaboration and enumeration of the rights that have existed and shall continue to exist. The amendment offered deals with the enumeration of those rights, and does not in any way deal with the principle of clause 1. It is merely a better enumeration of those rights by the addition of certain subparagraphs. For these reasons, I respectfully submit that it comes clearly within the type of amendment that is proper on third reading of a bill.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, perhaps I may say a few words on this proposed amendment. I was privileged to be on the special committee, and throughout the hearings the committee was very much in agreement on a good many matters, but there were two matters of principle on which the committee disagreed and on which the whole basis of the bill was founded.

The main matter of principle was the question whether rights in this bill should be specialized and listed one by one, or whether they should be stated in general form. During the hearings of the committee, and yesterday in committee of the whole, the opposition attempted to raise various particular clauses and particular rights and freedoms which would have extended the principle beyond a

general statement of rights and freedoms into a bill of particulars. This, I think, was not a matter of detail but a matter of basic principle. As is clearly stated in Beauchesne's fourth edition, citation 415, the last subsection:

(4) On the third reading of a bill, an amendment to refer back to the committee of the whole must not tend to change the principle approved on the second reading.

It is my submission, Mr. Speaker, that the enumeration of the rights and freedoms which have been included in this amendment would take it out of the main principle of the bill, which was to set out general rights and freedoms and not to particularize them. For that reason I would think the amendment proposed would be much beyond the original principle of the bill as adopted on second reading.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, perhaps I may just say one word. The argument of my hon. friend who has just spoken seems to be more on substance than on procedure. In effect he is saying that all the amendments which were moved yesterday, which are enumerated in this motion, were out of order.

Mr. Speaker: Does the Leader of the Opposition contend that the same conditions apply on third reading, with respect to amendments, as in committee?

Mr. Pearson: Yes; I am contending—

Mr. Speaker: If so, I would like to see some authority, because that is an important point. If these matters were relevant at one stage in committee and the considerations are the same on third reading, that is an important point to have established.

Mr. Pearson: With respect, if the amendments had been ruled out of order yesterday they could not, of course, have been introduced today. They were accepted as amendments yesterday and they were accepted, I suggest, because they did deal with the principle of this bill, which is not a principle founded on political rights but a principle founded on human rights. There is no distinction, as I see it, in human rights as between political and economic rights.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, surely the question is not quite as stated by the Leader of the Opposition. It seems to me that the question must be decided on the basis of the rules and the citations. The one to which I believe you have already drawn our attention, the most important one, seems to be citation 418, which contains the following two passages:

All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

Mr. Martin (Essex East): What is the citation?

Mr. Fulton: The citation is 418 of Beauchesne's fourth edition, at page 288. Further in that citation it is stated:

On the second reading of a bill, an amendment may be moved expressing opinions as to any circumstances connected with its introduction or prosecution, or seeking further information in relation to the bill by committees or commissioners, the production of papers or other evidence, or the opinion of judges. This cannot be done on the third reading because it is not directly connected with any provision of the bill.

Mr. McIlraith: This is.

Mr. Fulton: Surely that passage which says, first, that a motion on third reading cannot deal with any matter which is not contained in the bill, and further, that motions cannot be moved which are not directly connected with any provision of the bill, speak perfectly clearly. In applying them to this amendment I think one can see a number of matters in it which are not connected with the bill at all. I would say that the proposed subparagraph (f)—

Mr. Martin (Essex East): That is a right.

Mr. Fulton —and proposed subparagraph (i) are definitely in the field of economic rights.

Mr. Martin (Essex East): That is a right.

Mr. Fulton: And proposed paragraph (j) is definitely in the field of economic rights.

Mr. Pearson: What is the difference? These are human rights.

Mr. Fulton: I think there may be others, but those are the ones to which I refer particularly, on short notice. I would submit, Mr. Speaker, that by virtue of citation 418 these amendments are clearly out of order. It is not, in my view, a sound argument to say that simply because they were permitted in committee, that necessarily establishes that they can be permitted now, because in committee we are dealing with the bill in detail.

Mr. Pearson: We are dealing with rights.

Mr. Fulton: It is frequently moved in committee that provisions of a bill be amended in ways which it would not be open to move on third reading. That, sir, is surely why we have a separate committee stage to deal with the bill.

To carry the argument of the Leader of the Opposition to its logical conclusion would be to say that every amendment that can be moved in committee can also be moved on third reading. This would bring us into direct

conflict with the citation to which I have referred, which clearly establishes that not all motions that can be moved at other stages can be moved on third reading, but that the motions which can be moved on third reading are definitely restricted, as set forth in that citation.

Mr. Martin (Essex East): Mr. Speaker, would you allow me to deal with the arguments that have been made by the Minister of Justice? He properly relies on citation 418, but surely the interpretation that he gives is not a valid one. That citation reads:

> All amendments which may be moved on a second reading of a bill may be moved on the third reading—

So up to that point there is no difficulty.

> —with the restriction that they cannot deal with any matter which is not contained in the bill.

The amendment before the house does not deal with any matter not already in the bill. What is the matter in the bill? The matter in the bill has to do with certain rights enumerated in subparagraphs (a) (b) (c) (d) (e) and (f) of clause 1. The matters referred to in the amendment are likewise the same kind of matters; they too refer to rights. The fact that the hon. gentlemen do not agree that these rights should be included does not change in any way the character of the rights or the matter involved in the amendment, unless one is prepared to argue that these are not rights. That cannot be the case, because every one of the rights enumerated in the amendment is a right that is contained in the declaration of human rights of the United Nations, a declaration which Canada supported, along with other countries of the world.

What hon. gentlemen have got to do, then, in order to succeed in their argument is to establish that the matter involved in the amendment is not the kind of matter involved in the bill. That is the issue, and it seems to me that the matter ought to be clearly settled, because of that obvious fact.

The hon. member for Parry Sound-Muskoka argued on the merits. We are not arguing on the merits now. There are differences on the merits, of course. The hon. member argued whether or not these words should be included. This is not the point. That will be the question in debate, if Your Honour accepts the submission I make. I would simply add that not only were these matters voted on in the committee of the house after second reading, but they were also voted on in the special committee set up by this house.

So my submission, Your Honour, is that the matter involved in the amendment is the same kind of matter involved in the clause of the bill.

Mr. Speaker: I have listened with much interest to the hon. member who moves this motion in his expression of his view that the rights enumerated in the proposed amendment are of the same order as those in the bill, because to my mind that is the crux of the decision I have to make.

I think it is clear that on third reading there is a fair scope for amendment, but by that time the principle of the bill has been approved by the house on second reading and therefore we cannot go beyond that principle. Furthermore, the bill has been before the committee of the whole house, where latitude is given to make changes which expand it or contract it within the principle approved on second reading.

Now we come to third reading and we have the bill in specific terms. I think it is obvious that third reading is intended as a final protection for parliament, to give the bill final consideration before it becomes law, and that there is a final opportunity to reject it or to refer it back to the committee if the house feels that the committee has not done what it should have done.

With that in mind my conception of a proper amendment on third reading is that it should not depart in kind; it should not introduce new principles. Quite frankly, as the hon. member read his amendment I could see that subparagraphs (c) (d) (e) (f) and (g) could be added to those principles in clause 1 of the bill which were declared as having existed and continuing to exist in Canada, and enumerated as the right of the individual to life, liberty etc., and the right of the individual to equality before the law, freedom of religion, freedom of speech, freedom of assembly and freedom of the press. These are all matters which could be brought before the court where an individual could claim the right of protection. They do not involve the expenditure of money. They do not involve anything other than protection of those rights by the law of the land.

When I came particularly to the last two clauses of the amendment, however, it seemed to me that there one departs into a new and different area of legislation. I am not sure that it would not involve the expenditure of money if it means what it says, and it would therefore have to be preceded by a resolution. But in any event I do distinguish in my mind these rights in subparagraphs (i) and (j) of the amendment as being different in character and in order from those enumerated in clause 1, of the

bill, particularly a right such as the right of the individual to social security.

If that right means anything at all it means social security in the commonly accepted sense of the term. It means the right to maintenance by the state under certain circumstances, either because of ill health or unemployment or whatever it may be. Social security involves not the protection of a right which exists but the granting or the providing of something by the state as of right.

Subparagraph (i) goes on "and his entitlement to realize the economic, social and cultural activities indispensable for his dignity", etc. Clause (j) refers to "just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented if necessary by other means of social protection." That surely involves the right to work at a fair wage.

If that sort of right is to be asserted in legislation, it is not something that arises simply by saying that it exists, and is therefore not of the order which can be protected by access to the courts. It involves, I think, not the protection of some personal right or right of property which an individual enjoys, but involves a right to have added something which he does not already have in the form of economic well-being.

I distinguish those two, and therefore feel that these clauses do go beyond the bill as it was originally drawn, as it was debated on second reading and as it appears now. Therefore I must, with great respect to the views expressed by the hon. member who proposed this amendment, find that it is not in order in its latter clauses and therefore not in order at all.

Mr. Martin (Essex East): Mr. Speaker, may I thank you for the careful consideration you have given. Your Honour will not take offence if I say that our views have not altered in so far as subparagraphs (i) and (j) are concerned. But since Your Honour has taken that position, and as I would not seem to have any occasion or opportunity for testing the validity of that opinion, I have no other course open but to accept Your Honour's ruling.

Therefore, with your permission, I would ask that I be allowed to drop subparagraphs (i) and (j) so that my motion would cover (c) (d) (e) (f) (g) and (h), without of course in any way being put in the position of feeling that I was not justified on the merits with regard to (i) and (j). Therefore I ask your permission to drop (i) and (j) so that the motion will be considered with these two deletions.

[Mr. Speaker.]

Mr. Speaker: I am prepared to accept that amendment and to put it before the house in the new form now proposed by the hon. member.

Mr. Fulton: Mr. Speaker, I would just like to say one thing. I am not quite sure how far a member can go in changing his amendment or in deleting particulars from his amendment without arriving at a position where he is really offering a new amendment altogether, which of course I think would be agreed is not allowed by our rules.

I make that observation by way of preface, because I still think that even if it should be ruled that the hon. member is permitted to drop those two subparagraphs and that the amendment did not then constitute a new amendment, I would nevertheless point out that the amendment still contains, for example, subparagraph (f), the right to nationality and the right to change nationality, which in my submission definitely imports something which is not in the bill at the present time.

Mr. Speaker, we had arguments as to whether indeed Canadian law could confer the right to change nationality, but I am not going to resurrect those arguments. May I simply say that it is something not in the bill at the present time, and it is not covered by the matters in the bill at the present time. I will not repeat the reference to the citations I made earlier, but I would add a further reference which I think clarifies the point upon which Your Honour originally ruled. That is the reference appearing at page 578 of May's sixteenth edition. Dealing with debate on third reading May says:

> The procedure on the third reading of a bill is similar to that described in relation to the second reading, but the debate is more restricted at the later stage, being limited to the matters contained in the bill.

If debate is restricted to the matters contained in the bill, obviously amendments must be restricted to matters contained in the bill. I think that quotation from May puts the matter more clearly and more succinctly than it was put even in citation 418 in Beauchesne, to which I referred.

I suggest that the ordinary meaning of those words is that you cannot deal with matters not contained in the bill. You will note that the word "matters" is plural, not singular. This I emphasize as seeming to me to indicate that May means there that where you have a bill with several clauses, the debate on third reading is restricted to what is contained in those clauses. If the debate on third reading is thus restricted so also must be amendments. So I come back to the point that since this amendment still contains matters which are

not contained in the bill, it is out of order as an amendment on third reading.

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, perhaps I could direct Your Honour's attention to citation 203, subsection 12, Beauchesne's fourth edition, which reads:

A member who has been given leave to withdraw an amendment may move it again at a later date.

When an amendment has been withdrawn, a portion of it, without any change in phraseology, cannot be moved.

Mr. Martin (Essex East): There has been no withdrawal of the amendment.

Mr. Speaker: I have some sympathy with the point of view expressed by the Minister of Justice. I think I see a distinction between the two final clauses which I objected to and the earlier ones on which I propose to base my decision. It is clear that one should not go outside the scope of the bill in amendments on third reading, and I do not think these do go outside the scope, although I admit there is room for argument.

On the other point of the possibility of altering the amendment, as the house will recall the hon. member made his motion and then submitted it, but it was not placed before the house because I had doubts as to its admissibility as he read it. So it has never been placed before the house formally. I think it is quite in order to accept it in the attenuated form in which the hon. member now proposes it, and I will therefore put the amendment.

It is moved by the hon. member for Essex East (Mr. Martin), seconded by the hon. member for Fort William (Mr. Badanai):

That Bill No. C-79 be not now read a third time, but that it be referred back to the committee of the whole for the purpose of reconsidering an amendment to clause 1 as follows:

"That the following paragraphs be added after present paragraph (b):

(c) the right of the individual to the protection of the law against arbitrary interference with privacy, family, home, or correspondence, and against attacks upon his honour and reputation.

(d) the right of the individual to freedom of movement and residence within the borders of Canada.

(e) the right of the individual to leave the country and to return to the country.

(f) the right of nationality and the right to change nationality.

(g) the right of the family to protection by society and the state as the natural and fundamental group unit.

(h) the right of the individual of equal access to public service.

and that the remaining paragraphs of clause 1 be relettered accordingly."

Mr. Fulton: Mr. Speaker, I do not think the house would desire any lengthy repetition of the arguments that were advanced with respect to these amendments when they were moved in committee of the whole yesterday and the day before. They have been the subject of full discussion both there and in the special committee of the house. Generally speaking, they were rejected on such grounds as that they were not appropriate for inclusion in a bill of rights, that some of them were already covered in the wording of the bill of rights, and on similar grounds. These grounds of course are as applicable today as when the committee came to its conclusion that they should be rejected for those reasons.

I am pleased to find that our arguments have obviously carried weight with the opposition, at least to the extent that they have now moved on third reading to add only about one half the amendments they moved to add when we were in committee. Either one of two things must have happened. Either the hon. member for Essex East must have been convinced by our arguments that they were not suitable for inclusion or else he must have decided himself that his amendments previously suggested were, after all, of no value. Either one of those two things must have happened, I submit, for the opposition to have reduced the changes that it suggests from some 16 down to 8. Now by the further deletion on grounds of order they are reduced to 6.

I suggest to you sir, that what has happened is that the opposition has simply shown that lack of flexibility of which they accused us yesterday. In other words they have accepted our arguments that these things are not valid. They recognize that, but they refuse to give that argument its full application because they still stubbornly say, "Oh, all right; we will throw overboard half the amendments we moved, but we are not going to fully accede to the government's views and we will put forward the other half."

I do not know upon what basis of selection the hon. gentleman operated. Indeed, I was puzzled by this when hon. members opposite were making their attempts to insert seriatim many of the articles of the universal declaration. I was puzzled then about the reason they left out other articles which are equally desirable statements of objective, such as the article dealing with the health and welfare of mothers, widows and children. Does that mean that my hon. friend had no concern for the welfare of those groups of our society?

Mr. Martin (Essex East): They were ruled out of order.

Mr. McIlraith: It means no such thing.

Division

Mr. Fulton: I suggest that by inference that is the only conclusion one can draw, because they moved most of the articles of the universal declaration but there were certain significant omissions.

Mr. Martin (Essex East): Let me put them in now and we will support them.

Mr. Fulton: I suggest that having thus demonstrated the rather peculiar position in which hon. gentlemen opposite are placed by their own ineptitude, I can conclude the matter by saying that the same arguments that led to the rejection of these amendments previously still apply today; that proposed subclause (c) is covered by the wording of our bill of rights; that proposed subclause (d) is largely covered and in the areas in which it is not covered it is, of course, in the realm of provincial rights; that subclause (e) is not a sound one in any event for inclusion in a bill of rights because it contains reference to the right to return to the country, which right cannot arise in any practical sense until the individual is outside Canada and this is to be a bill of rights in Canada; that subclause (f) is not valid because it pretends that we can do something in Canadian law which we cannot do, and that is give a person the right to acquire another nationality which, of course, no Canadian law can do; that subclause (g) is in part a declaration of principle which is covered in the wording of the preamble where recognition has been specifically given to the position of the family in society; and that subclause (h) again is one for inclusion in some other kind of statute than the bill of rights and indeed in Canada is largely if not completely covered in the present Civil Service Act.

Therefore, without expanding these reasons, Mr. Speaker, I submit to the house that all the arguments which applied yesterday, the day before and prior to that, and which have been rehearsed exhaustively, still apply to these amendments on their merits. In addition, the position now taken by the opposition that half their amendments could be jettisoned without any danger whatsoever is, by logical extension, capable of application to prove, as I now maintain, that the rest of these amendments can and should be jettisoned without any danger or disadvantage whatsoever.

The house divided on the amendment (Mr. Martin, Essex East) which was negatived on the following division:

YEAS

Messrs.

Argue	Boulanger
Badanai	Bourque
Batten	Cardin
Benidickson	Carter
Crestohl	McMillan
Dumas	McWilliam
Eudes	Martin (Essex East)
Forgie	Martin (Timmins)
Godin	Michaud
Habel	Pearson
Hellyer	Racine
Herridge	Ratelle
Howard	Regier
Leduc	Richard (Ottawa East)
Lessard	Roberge
Macnaughton	Robichaud
McIlraith	Tucker—34.

NAYS

Messrs.

Aiken	Johnson
Allard	Jones
Allmark	Jorgenson
Anderson	Keays
Asselin	Knowles
Balcer	Korchinski
Baskin	Kucherepa
Beech	Lahaye
Bell (Saint John-Albert)	Lambert
Belzile	Latour
Bigg	Legere
Bissonnette	Letourneau
Bourbonnais	Macdonald (Kings)
Bourdages	Macdonnell
Brassard (Chicoutimi)	MacEwan
Brooks	MacInnis
Browne (St. John's West)	MacLean (Queens)
Bruchesi	MacLean (Winnipeg North Centre)
Brunsden	McBain
Cadieu	McCleave
Campbell (Lambton-Kent)	McDonald (Hamilton South)
Cardiff	McFarlane
Casselman, Mrs.	McGee
Cathers	McGrath
Chambers	McIntosh
Charlton	Martel
Chown	Martineau
Churchill	Matthews
Comtois	Monteith (Perth)
Crouse	Monteith (Verdun)
Danforth	Montgomery
Deschambault	Morissette
Diefenbaker	Morton
Dorion	Nasserden
Drouin	Nesbitt
Drysdale	Nowlan
Dubois	Nugent
English	O'Hurley
Fairclough, Mrs.	Pallett
Fairfield	Parizeau
Fleming (Eglinton)	Pascoe
Fleming (Okanagan-Revelstoke)	Paul
Fulton	Payne
Grafftey	Pearkes
Green	Pigeon
Grenier	Pratt
Grills	Rapp
Gundlock	Regnier
Hales	Ricard
Hamilton (Notre Dame de Grace)	Richard (Kamouraska)
Hamilton (Qu'Appelle)	Rogers
Hamilton (York West)	Rompre
Harkness	Rowe
Hees	Rynard
Henderson	Sevigny
Hodgson	Simpson
Horner (Acadia)	Small
Horner (Jasper-Edson)	Smallwood
Howe	Smith (Lincoln)
	Smith (Winnipeg North)

[Mr. McIlraith.]

Southam	Valade
Speakman	Villeneuve
Spencer	Vivian
Stanton	Walker
Starr	Webb
Stearns	Webster
Tassé	Weichel
Thomas	White
Thompson	Winch
Thrasher	Winkler
Tremblay	Wratten—141.

Mr. Speaker: I declare the amendment lost. The question is on the main motion.

Mr. Pearson: Mr. Speaker—

An hon. Member: One o'clock.

Mr. Speaker: Shall I call it one o'clock?

Mr. Pearson: It is quite agreeable to us if the house decides to sit through.

Some hon. Members: Yes.

Some hon. Members: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2 p.m.

Mr. Pearson: Mr. Speaker, without any further word, because our position in regard to the matter is well known, I would like to move an amendment which I think is in order because it deals with a principle already in a section of the bill and does not involve any of the considerations which caused you some hesitation in regard to the other amendment this morning. I move, seconded by the hon. member for Humber-St. George's (Mr. Batten):

That Bill No. C-79 be not now read a third time, but that it be referred back to the committee of the whole for the purpose of reconsidering an amendment to clause 6 as follows:

"That subsection 5 of section 6 be deleted and that there be added the following section as section 6A:

6A (1) Subject to subsections 2, 3, 4, 5, 6 and 7, any act or thing done or authorized or any order or regulation made under the authority of this act, shall be deemed not to be an abrogation, abridgement, or infringement of any right or freedom recognized by the Canadian bill of rights.

(2) No naturalized Canadian citizen may be deprived of his citizenship and no naturalized British subject may be deprived of his status as a British subject under this act.

(3) No Canadian citizen may be deported from Canada under this act.

(4) No Canadian citizen or British subject may be detained under this act beyond a period of sixty days, unless the cause for his detention has been reviewed by an appropriate impartial tribunal which has reported to the minister or authorities authorizing the detention.

(5) Any order or regulation under this act conferring authority to order the detention of any person shall, forthwith after it is made, be laid before parliament, or if parliament if not then sitting, within the first fifteen days next thereafter that parliament is sitting.

(6) Where an order or regulation has been laid before parliament pursuant to subsection (5), a notice of motion in either house, signed by ten members thereof, and made in accordance with the rules of that house within ten days of the day the order or regulation was laid before parliament, praying that the order or regulation be revoked, shall be debated in that house at the first convenient opportunity within the four sitting days next after the day the motion in the house was made.

(7) If either house of parliament resolve pursuant to a motion made under subsection (6) that the order or regulation be revoked, it shall cease to have effect, without prejudice, to the previous operation of the order or regulation, or anything duly done thereunder.

Mr. Winch: Could I be allowed to ask a question, sir?

Mr. Speaker: If any hon. member wishes to say anything about the regularity of the amendment I would be glad to hear it now, so that it may be put before the house.

Mr. Winch: I want to ask a question on the amendment.

Mr. Speaker: As I understand the proposed amendment, it imports into the War Measures Act certain new provisions which are not there now, in this bill. If no hon. member wishes to suggest that the proposed amendment to clause 6 of the bill is beyond the scope of the bill or is an irregular amendment on third reading, I shall be glad to place the matter before the house.

Mr. Winch: Mr. Speaker, at the moment I do not desire to speak completely on the purport of the amendment. I think on first reading it I understand the principle, but there is certain wording in this suggested amendment which I must admit has me entirely confused.

As everyone knows, I am not a lawyer, but I cannot understand at the moment why we have reference in this proposal to a Canadian citizen in one aspect, a British subject in another aspect and a naturalized British subject in still another. Mr. Speaker, perhaps you will understand why as a layman I am confused as to what this means. Are we Canadian citizens or are we not? Is a British subject a Canadian citizen or is he not? And what is the status of a naturalized British subject?

On page 2 of the amendment reference is made to a naturalized Canadian citizen, in the third line to a naturalized British subject, then again further on to a Canadian citizen, and in the next paragraph there is reference to "No Canadian citizen or British subject". I find it most confusing and I hope I can have an explanation now, because

surely there is one term or another which is applicable under Canadian law to describe who is a citizen.

Mr. Martin (Essex East): Mr. Speaker, the Leader of the Opposition has suggested that I might deal with this question.

The designations of naturalized Canadian citizen, Canadian citizen and British subject are all terms that are incorporated, and necessarily so, into the Canadian Citizenship Act. Section 26 of the Canadian Citizenship Act says that a Canadian citizen is a British subject. However, in Canada there are British subjects who are not Canadian citizens and that is, in accordance with their rights as provided for in the Canadian Citizenship Act.

Canadian citizens, then, are made up of three potential classes. There are those who were born in Canada and who become Canadian citizens by what is called *jus soli,* the law of the soil. Then there are British subjects, who may or may not become Canadian citizens, depending upon their wish. A naturalized Canadian citizen is one who has come from another country to live in Canada. That person may or may not wish to become a Canadian citizen. Let us say he comes from Czechoslovakia. He is allowed to stay here; he is not compelled to become a Canadian citizen, but if he becomes a Canadian citizen pursuant to the requirements of the Canadian Citizenship Act, then he is a naturalized Canadian citizen.

Mr. Winch: Then I have a question to raise, because I imagine that the bill of rights is a matter of principle. May I ask through you, Mr. Speaker, why in the principle which the hon. member has now enunciated on page 2 of the amendment a differentiation is made between rights according to whether they are Canadian citizens, British subjects or naturalized Canadian citizens? Does not the same principle of right apply to all? Why differentiate between the three categories? Is a bill of rights applicable to all or not? Incidentally, as I read this now it is breaking down the principles of the bill of rights by discrimination. I would like to get clarification of this.

Mr. Martin (Essex East): This differentiation is inevitable because of the Canadian Citizenship Act.

Mr. Speaker: We are not in committee now, and hon. members are only permitted one intervention on third reading.

Mr. Diefenbaker: Mr. Speaker, I will simply ask you to rule on this question as to whether or not amendments to the citizenship act come within the provisions of the bill of rights. In other words, the principle of this bill is now being torn asunder by a purported amendment.

Mr. Martin (Essex East): Mr. Speaker, on a point of order, may I say to the Prime Minister that these amendments do not purport to be amendments to the Canadian Citizenship Act. They incorporate terms from and are in accordance with the Canadian Citizenship Act, but they seek to provide amendments to the War Measures Act.

Mr. Speaker: As I understand the amendment and as I put it before the house, it deals with the subject matter of the War Measures Act, which is dealt with in clause 6 of the bill now before the house for third reading. The amendment would appear to trespass into the territory of the act relating to citizenship and naturalization, but I do not think that in itself would make the amendment out of order if it is otherwise an appropriate amendment to the War Measures Act within the general tenor of the bill and of the purposes of the clause dealing with the War Measures Act.

I had some doubts about the propriety of the proposed amendment on the ground that it seems to go beyond the general character of the amendment to the War Measures Act which is in the bill, but as I put it before the house I would not like to recede from that position simply because the bill affects matters dealt with by other statutes.

Mr. Diefenbaker: Mr. Speaker, I am not going to reiterate the arguments which were made yesterday in committee on this question. It is very obvious that these amendments are various types of particulars which might very well be considered in connection with the War Measures Act when it receives a complete going over next year and is reviewed, providing parliament so decides. This is simply a means whereby through a suggested amendment the opposition is endeavouring by piecemeal measures to amend the citizenship act and to amend as well the War Measures Act. I have said before that all of us are gratified to learn of the change in attitude in the passing years on the part of the opposition, but one finds it difficult to forget the wrongs that hon. gentlemen opposite committed in freedom's name but a few years ago. While up until recently they scoffed at a bill of rights, let me remind them of words which I may not quote correctly: "some who came to scoff remained to pray". That is the attitude of the opposition, for they have a guilty conscience which portrays and reveals itself in sundry ways.

Mr. Benidickson: Your bill is not good enough.

Mr. Diefenbaker: We find this statement in the amendment:

No naturalized Canadian citizen may be deprived of his citizenship and no naturalized British subject may be deprived of his status as a British subject under this act.

They who placed before parliament only a few years ago the legislation that makes this possible, now in the light of events which have brought about a transition of position have been impelled to endeavour to rectify the wrongs which they themselves committed. Turning again to the amendment we find these words:

No Canadian citizen may be deported from Canada under this act.

One does not want to go into the past, but the record of the previous administration with respect to the deportation of those whose only offence, as I said before, was confined to their colour is known to all. No matter how the hand of history writes, it cannot erase what was done. This amendment has that purpose, to lead the Canadian people to believe that those who did those things yesterday have changed and that the wrongs of yesterday are to be rectified today, although they took no measures to do that when they were in power following the war.

Turning again to the amendment we find these words:

No Canadian citizen or British subject may be detained under this act beyond a period of sixty days, unless the cause for his detention has been reviewed by an appropriate impartial tribunal which has reported to the minister or authorities authorizing the detention.

We asked for that on a number of occasions. We asked why it was that men were held against whom there was no evidence but only suspicion. We understood the incarceration of those people was in the interest of the maintenance of the security of the state, but we asked that some measures be taken to enable those persons deprived of the ordinary rights of Canadian citizens to have the opportunity of establishing their innocence. In effect, what was asked for in those days is now being sought by a devious course, instead of by direct amendment, to be introduced into a bill of rights for the preservation of Canadian life.

All these questions are deserving of consideration. All of them will receive consideration in the committee to be set up to cover the whole ambit and field of the War Measures Act. And then, in the light of all the circumstances, with a full realization of the necessity of maintaining undiminished the security of the state, the War Measures Act may be rewritten and those terms removed that are unnecessary and unjustifiable.

Through the medium of an amendment in the nature of a subterfuge, hon. gentlemen seek to lead the Canadian people to believe that those who wronged now wish to put the situation aright through the medium of legislation in which particular items should not be incorporated, and which consists of amendments to existing statutes.

We are in agreement with these matters in very considerable measure and possibly completely. Without close study of the matter I know that over the years these are some of the things I have believed. Next year, next session—and I do not think it will be too far removed—

Some hon. Members: Oh?

Mr. Diefenbaker: —we will be able to set up a committee—

Mr. Benidickson: How about an election?

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman says "How about an election?"

Mr. Martin (Essex East): That is right.

Mr. Diefenbaker: I remember very well that on January 17, 1958 they said the same thing, and very soon the results achieved did not justify the requests which they then made for the holding of an election.

Mr. Benidickson: In 1957 you did not think you would be elected, or you would not have made all the promises you did.

Mr. Diefenbaker: I have heard bravado of that kind on the part of hon. gentlemen opposite before. I remember that day in January very well. Just when they got what they asked for, then the people gave them what they did not ask for.

I am not to be led away from this. I am simply saying that at the next session, which in the light of circumstances may not be too far removed, having regard to the intervening circumstances and events that may occur, but whether that session be close at hand or normally removed, if the house is in agreement the committee will be set up and each of these statutes containing the very tyrannical terms that have remained on the statute books over the years will receive the fullest and most complete consideration. At that time a reformation can be made not of particular sections but of the acts as a whole.

Mr. Argue: Mr. Speaker, I think the purpose of the amendment is a good one and the amendment itself is a good one. The Prime Minister has given the official opposition a lecture about their past wrongs—

Mr. Churchill: A well deserved one.

Mr. Pearson: Page the Minister of Justice.

Mr. Argue: —an eloquent and well deserved lecture; but surely castigating the Liberal

party for past misdemeanours is scarcely a substitute for enacting a law that will make such wrongdoing impossible from here on. I suggest that at this time these provisions should be inserted in the bill of rights. The Prime Minister says we will do it next session, and that the session may come earlier than we would otherwise expect.

Mr. Pearson: It is always "next session".

Mr. Argue: I hope that is right, because there are many problems that need solving soon. I think of the many emergencies facing the Canadian people, and it occurs to me that next January is a long time away if that is to be the time the government will start solving these problems and stop procrastinating as it has been doing for a number of years.

Mr. Diefenbaker: The hon. member may be facing an emergency himself within the next few weeks.

Mr. Argue: Some of us thrive on emergencies. The Prime Minister has had a lot of emergencies in the past. He may soon be facing his greatest emergency; and who knows, he may find that he will not be able to meet it.

This is a good amendment, in our opinion; it deserves the support of the house. The War Measures Act should be amended, and I think the placing of these provisions in a bill of rights is very appropriate.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order. The hon. member has already intervened twice.

Mr. Martin (Essex East): I should like to answer the question, Mr. Speaker. May I simply point out to you that the hon. member for Vancouver East asked a question, and under the rules of debate the Leader of the Opposition is precluded from speaking—

Mr. Fulton: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member is speaking on the point of order I have raised, namely the question of his right to speak, and he is endeavouring to satisfy me that he has the right to speak a third time.

Mr. Martin (Essex East): The hon. member for Vancouver East asked a question.

Mr. Argue: He did not say anything.

Mr. Martin (Essex East): You allowed the question to be put, Mr. Speaker, and you allowed a reply to be made. The hon. member put the question several times so that he would be heard. If I am not allowed to speak, the situation will be that those of us who have been in the house, pursuing this matter, will be denied the opportunity of dealing with the remarks made by the Prime Minister.

Mr. Diefenbaker: Mr. Speaker—

Mr. Martin (Essex East): In any event, I say to you—

Mr. Diefenbaker: The hon. member is following his usual course—

Mr. Speaker: Order. I will hear the Prime Minister on the point of order, but I have expressed a view, and the hon. member who wishes to speak has the right to point out what considerations arise before I confirm my ruling.

Mr. Martin (Essex East): Thank you, Mr. Speaker. I can only say that if it is your ruling that I cannot speak at this time, I accept your ruling. I would suggest that in a matter such as this involving a bill of rights which has been introduced by the Prime Minister and approved by the house, an opportunity should be given to Liberal spokesmen to speak.

Mr. Diefenbaker: Three times.

Mr. Speaker: If the Prime Minister wishes to speak on this point I will hear him, but I am satisfied that the hon. member did have the floor on two occasions to explain the amendment, as did the hon. member for Vancouver East, and if further debate were permitted we would be departing from the fixed rule which limits each member to one intervention on third reading. I am sorry; I must insist. Is the house ready for the question?

Hon. Paul Hellyer (Trinity): Mr. Speaker, the Prime Minister's piety was very touching but not completely convincing. Today we see here a strange about-face.

An hon. Member: We certainly do.

Mr. Hellyer: Here is the Prime Minister, here is the man, here is the right hon. gentleman who has argued so vehemently and so eloquently in the past against the War Measures Act; here is the right hon. gentleman who in days past has said that the War Measures Act should be abolished, should be removed from the statute books of Canada; here is the right hon. gentleman who says, "See the crimes which have been committed in the name of the War Measures Act"; and now, today, we see this strange and incomprehensible about-face. He suggests now that we are to have two bills of rights, the one before us today and another one, the War Measures Act.

Surely, Mr. Speaker, the Prime Minister cannot argue that human rights and fundamental freedoms contained in the War Measures Act are as secure as they would be if they were included in the bill before us, inadequate as it is. Surely the Prime Minister is not trying to impress us with the fact that a future parliament, which might have some hesitation about amending and taking out of this bill rights which have been put in it, would have less hesitation in taking out of the War Measures Act rights which are guaranteed and which are included in this legislation. This is a strange development indeed.

Here is the right hon. gentleman who throughout the decades, throughout his service in this parliament, has been most vehement and most persuasive in opposition to the War Measures Act; yet when he has the opportunity in this house to remove from that act some of the opportunity for the circumvention of human rights and fundamental freedoms, he denies this parliament the right to act. Surely, Mr. Speaker, if this legislation has any meaning at all; if the Prime Minister is sincere in trying to put into a bill of rights those human rights and fundamental freedoms which he hopes no future parliament will dare abridge; surely if he is sincere in this he will want to put in this bill today those further guarantees and protections so they cannot in any circumstances be circumvented in the future by the back door route or the devious route he himself has described. Surely, in the Prime Minister's own words, this bill of rights will have perhaps some effect; it will have a retarding effect on future parliaments. Perhaps it will. Indeed, they should be reluctant to remove from the legislation any of those human rights and fundamental freedoms which are guaranteed by this bill, inadequate as it is. Surely it is not sound to put these human rights and basic freedoms in the War Measures Act which can be changed by parliament at any time.

Now, if the Prime Minister wishes to follow a straight course, if he wishes to be logical and consistent in this matter, he should rise in his place and say that throughout the debate he has taken the position that human rights and fundamental freedoms should be included in this legislation which he himself has introduced so that future parliaments would be reluctant to remove them, and that he would not leave to any future parliament, even one under his own leadership, the possibility of debasing or removing any of the rights which might under any circumstances be put into the War Measures Act.

Division

Hon. J. M. Macdonnell (Greenwood): I should like to add just one word. We have been around this course now so often that I would put in a plea in the words used once by a former leader of this party, which I have used in this house before; "Let us have some regard for the immortal grounds of common sense". Also I would like to quote the words of Omar Khayyam:

> Myself when young did eagerly frequent
> Doctor and Saint, and heard great argument
> About it and about: but evermore
> Came out by the same door wherein I went.

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

YEAS

Messrs.

Argue	Lessard
Badanai	Macnaughton
Batten	McIlraith
Benidickson	McMillan
Boulanger	McWilliam
Bourget	Martin (Essex East)
Bourque	Martin (Timmins)
Cardin	Michaud
Carter	Nixon
Crestohl	Pearson
Dumas	Peters
Eudes	Racine
Fisher	Ratelle
Forgie	Regier
Godin	Roberge
Habel	Robichaud
Hellyer	Rouleau
Herridge	Tardif
Leduc	Tucker—38.

NAYS

Messrs.

Aiken	Drouin
Allmark	Drysdale
Anderson	Dubois
Asselin	English
Balcer	Fairclough, Mrs.
Baskin	Fairfield
Beech	Fleming (Eglinton)
Bell (Saint John-Aibert)	Fleming (Okanagan-Revelstoke)
Belzile	Frechette
Bissonnette	Fulton
Bourbonnais	Grafftey
Bourdages	Green
Brassard (Chicoutimi)	Grenier
Brooks	Grills
Browne (St. John's West)	Gundlock
Bruchesi	Hales
Brunsden	Halpenny
Cadieu	Hamilton (Notre Dame de Grace)
Campbell (Lambton-Kent)	Hamilton (Qu'Appelle)
Cardiff	Harkness
Casselman, Mrs.	Horner (Acadia)
Cathers	Horner (Jasper-Edson)
Chambers	Howe
Charlton	Johnson
Chown	Jones
Churchill	Jorgenson
Comtois	Jung
Crouse	Keays
Danforth	Knowles
Deschambault	Korchinski
Diefenbaker	Kucherepa
Dorion	

Lafreniere	Pearkes
Lahaye	Pigeon
Lambert	Pratt
Latour	Rapp
Legere	Regnier
Letourneau	Ricard
Macdonald (Kings)	Richard (Kamouraska)
Macdonnell	Rogers
MacEwan	Rompre
MacInnis	Rowe
MacLean (Queens)	Rynard
MacLean (Winnipeg North Centre)	Sevigny
McBain	Simpson
McCleave	Small
McDonald (Hamilton South)	Smallwood
McFarlane	Smith (Lincoln)
McGee	Smith (Winnipeg North)
McGrath	Southam
McIntosh	Speakman
Martel	Spencer
Martineau	Stanton
Matthews	Starr
Milligan	Stearns
Monteith (Perth)	Stewart
Monteith (Verdun)	Tassé
Montgomery	Thomas
Morissette	Thompson
Morton	Thrasher
Nasserden	Tremblay
Nesbitt	Valade
Nowlan	Villeneuve
Nugent	Vivian
O'Hurley	Walker
Pallett	Webb
Parizeau	Webster
Pascoe	Weichel
Paul	White
Payne	Winch
	Winkler
	Wratten—141.

Mr. Speaker: I declare the amendment lost. The question is on the main motion. Is the house ready for the question?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there are a number of general remarks that I intend to make at this time. I need hardly express to this house my feelings at this moment. You will appreciate what it means to me to be approaching, having regard to the attitude of members in all parts of this house, the legislative enactment of a framework of ideas of some of the deepest convictions that can come to human beings who believe in freedom.

I want to begin by a reference to the kind of Canada that is represented in this House of Commons, made up of many races. To a varying degree, the committee itself was the embodiment of those things that indicate to us the changes that have taken place in our nation in a period of 46 years.

I say 46 years because it was that number of years ago today that world difficulty that has continued since had its inception in the beginning of the first world war.

At that time freedom was accepted as representative of a concept generally held in the world, and in the intervening years we have seen those vast changes that have taken place. In large areas of the earth freedom has been swept away. Indeed, since the beginning of the first world war we have lived in continuous conflict, either active or quiescent. In other words, since the first world war ended on the 11th November, 1918, with the exception of the actual days of hostility in the second world war there has been a continuous armistice. Today we are in that position. As we look back to 1945 we realize that in the intervening years more than one third of mankind has come under the domination of a philosophy materialistic and godless, to use the words of the hon. member for Essex East (Mr. Martin) on an earlier occasion.

When one looks back 46 years and remembers the sentiments that touched us then, it would have been indeed unusual if anyone had then been able to look forward to the day when men of so many races would be joined together in the Canadian House of Commons in their devotion to the maintenance and preservation of those things that are dearer than life itself.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I remember those days. I remember the years from 1903 to 1914, when the west was being opened up. Hon. gentlemen in all parts of the house are in that position. People came from other lands, and it was asked whether the day would ever come when those from foreign countries would be able to become part and parcel of a great Canadianism. Yes, we were in that position, after the first world war; that while those who served were Canadians during the days of war and had "Canada" proudly on their shoulder pieces, at the end of the war they returned once more to their paternal racial origin, and all were proud of that racial origin. Those of us representative of that ever-increasing number of Canadians who were not of British or French origin hoped for the day when we would have a Canadian citizenship. I think of my early days in the House of Commons when I advocated that which through the years represented to me the embodiment of a great Canadianism. I wondered whether the day would come when we would build that Canada out of a polyglot of racial origins.

Well, look at the committee, sir. The committee represented the trustees of freedom, entrusted by the members of this house to bring about a Canadian bill of rights, was representative of the original races but representative as well of those of—may I go down the list as I see it—Italian, German, Chinese, Norwegian, Ukrainian, Polish, German, Icelandic and all other races; yes, all of them Canadians in a House of Commons that never before had the type of

representation that we have today, representative of so many origins.

This group of members, following the authority given them by the house, brought about many recommendations and ideas which, translated into legislative form, now form the bill which will shortly, I hope, be passed by this house. No Canadian can give sanction to bigotry. That is the essence, one of the major portions of this bill of rights. We exiled it in the days of war. We today, by legislative enactment, ensure that the hallmark of freedom is the recognition of the sacred personality of the human being that denies discrimination in any form.

As the moving finger of history has written in the last 50 years, I am more than ever convinced of the rightness of one view that I have held throughout my life; that the existence of discrimination anywhere in Canada is a denial of that citizenship which we Canadians espouse and have a right to express. I believe, too, that the existence of discrimination anywhere in the world is a potential seed-plot for war. As we strive for peace our consecration to the maintenance of human rights is a fundamental requisite.

What does this bill achieve? I do not intend to reiterate any of the details now well known to the house, but I do believe that the essence of the bill of rights may be summed up under a number of categories. First, within the legislative and constitutional competence of parliament, this is the first integrated statement of the principal rights in the fields of political activity and matters of conscience, and in the relations of the individual to the courts, to the law and to the state.

It is true that we state that these rights have existed in the past. They have. I shall not repeat anything that will be partisan at this time. All of us have some responsibility for the fact that these rights and freedoms have not always been maintained. Where interfered with, the individual has too often been denied his right of recourse to the courts. Surely there is a vast difference between having these rights existing in many areas of our public and private law, between a diffused and unco-ordinated expression of these rights spread throughout many cases and statutes, customs and conventions, and this effort to boldly state them in understandable form.

Second, this bill of rights is a statement of values; values expressed in terms of law, values expressed in substance and in procedure. This is a statement not only of rights in a narrow sense but of values. Third, the specific contribution made by this bill to the law should not be underestimated. It makes the assumption, as I said a moment ago, that these rights have existed. It is true that the language of the bill with respect to discrimination, the power of the press, due process of law and the forceful succession of clauses setting out the freedoms referred to, means to me something more together than if each individual item stood alone. Clause 1 is a major summary of substantive law as it affects our fundamental freedoms and rights, and no court henceforth can be indifferent to the effect of this statement when faced with the task of interpretation of past or future statutes.

As I look at this bill of rights and the declaration of the existence of these rights in the past, I can see a tremendous task resting upon the courts when it comes to the interpretation of statutes already existing. I know there were many who felt that the social rights and social freedoms should be included. They are of high value, and they are our goal under Canadian law. But this bill of rights is intended to be a document which I hope will influence the behaviour of the courts in dealing with the traditional problems of the relations between the individual and the state. It is because of that fact, restricted as this bill is to those things which come within the federal jurisdiction, that many of the social freedoms and rights which may be or are within provincial jurisdiction ought not to be stated in a national bill of rights unless that bill of rights is effective not only nationally but provincially as well.

Furthermore, these are rights which require a type of individual action in the courts. The whole range of social security and welfare matters are questions of policy and decision which rest upon broad administrative action. I can see the day, if perchance we are as close to national agreement in this regard as some state the fact to be, when after having secured the right to amend our constitution in Canada our major action will be to have restated in Canada's parliament, with the agreement of all the provinces, the abiding principles of freedom as well as those freedoms which were described in the days of war as freedom from fear and freedom from want.

There are many who still hide behind the Maginot line of their own failure to endeavour to understand the bill of rights, and who have not yet appreciated the fact that it will be very difficult in days ahead for any statute today existing to be interpreted in a way which will do violence to the letter and spirit of these provisions. It will be very difficult for any statute to be drafted and enacted by parliament from this day on which will in any way deny the provisions of subparagraphs (a) to (g) inclusive

in paragraph 2. The day of arbitrary detention, the day when an individual did not have to be informed of the reason for his detention, the day when the individual was denied the right to obtain and instruct counsel, the day when a habeas corpus was swept aside by order in council is, I hope, a day of the past in so far as days of peace are concerned.

And even in wartime, subject to those restrictions which will ensure that even in days of danger we must not unjustifiably imperil the rights of the individual, we must not interfere with the rights of the individual in a spirit of administrative lawlessness or caprice on the part of those who have the administrative responsibility to keep order.

The day, too, of arbitrary behaviour by any tribunal, commission or board in dealing with persons before them by depriving a person of a fair hearing is past. Every free man is entitled not necessarily to attain what he hopes for but to have his day and to give his answer to those who would limit his rights.

I think the clause which was added yesterday regarding the right of the individual to an interpreter, while not as significant as some of the other general declarations, is further evidence of our desire in this parliament, representing the conscience of the Canadian people, to ensure that Canadians everywhere, whatever may be their maternal language, shall not be denied the right and the privilege of full answer.

There is placed on the Minister of Justice a responsibility charging him with his own duties in regard to all legislation and special duties with regard to this legislation, so that in the examination of those things which come before him for legislative enactment any denial of these freedoms shall immediately receive his attention. This is an important responsibility.

Doubtless in the days ahead the suggestion made by the hon. member for Fort William and other hon. members respecting a committee on human freedoms will receive the fullest and most sympathetic consideration of parliament. I believe, as I have said on many occasions, that we should have a committee similar in nature to the scrutiny committee in Great Britain, to the end that every step that would in any way derogate from the maintenance of our fundamental freedoms should be subject to the closest examination.

I would hope that some day uniformity may be achieved throughout this country, as I have said on more than one occasion, in those matters over which parliament does not have jurisdiction, either by some appropriate constitutional process arrived at through consultation with the provinces or through the other means of the adoption by the provinces themselves of collateral provincial legislation to preserve the freedoms.

This bill recognizes the deep and sometimes, I fear, the deadly cleavage between the rights of peace and the duties of war. The amendment to the War Measures Act is something that will require to be considered, as well as the entire act, to the end that we shall bring about such changes as a committee may recommend that will have the effect of assuring that in days of war we shall not desert freedom in order to assure freedom.

I think there is a paradox in the position we sometimes take. We deny the freedoms in days of war. In the days of the last war freedom was the impelling motive that caused men to give their all. I sometimes wonder what the result would have been if it had not been for those who were our leaders then and who, whatever the fears and tribulations of the moment, were able to say as free men, "We shall not surrender". How different things would have been had they not taken that position. None of us would consider our lives when weighed against the awful consequences of the actions of those who would deny freedom.

This recognition that something must be done in order to assure a proper balance—not a compromise but a proper balance—between the needs of security and the maintenance of the wells of freedom in the hearts of a free people will be given in the setting up of this committee. This process of recognition commences in clause 6 of this bill. Provision is made in that clause that the powers—and the can be tyrannical—under the War Measures Act shall within 15 days after proclamation be brought before parliament. In doing so we put the responsibility for the continuance of the proclamation where it ought to be, namely in and on parliament.

I said at the beginning that it was difficult to express my feelings at a time like this, and some will ridicule what I say as an emotional reaction. I have devoted—and I say it in all modesty—not an inconsiderable part of my life and interest to the problems of human rights and fundamental freedoms. Whatever the cynics may say they do not deny that feeling. Having been able to bring about a major change in respect of freedom in this country through the co-operation of hon. members in all parts of this house, gives to me a reaction of deep appreciation for the democratic process and for the fact that when the people realize that there is need of change, all the minds that are closed against change must ultimately give way.

I do not pretend that this bill by itself will create a free and responsible society. The plural elements that make up freedom we take for granted, but they are many and varied. The church, the press, the educational systems, the trade union movements, a free economy, a culture which is naturally disposed toward freedom and personal dignity; all these things make up the society which we call Canada where this kind of bill is possible and where it reflects them to a far greater degree than it can ever create them.

I think what we have done has been right. I think it has been for the good of Canada. I also think that our conviction that a belief in the guidance of God makes possible a realization that law, justice and morality can be combined in words and perpetuated in a statute and this has been shown in the experience of the days that have elapsed since the introduction of this bill on Dominion day to be justified.

All that is required now is for each of us, and for Canadians as a whole, to mobilize in their hearts the determination that we shall make freedom work to a greater extent than ever before. This bill as I see it, is a major step forward. It gives a warning, and I hope brings to a halt the relentless expansion of the wide powers of the state, exercised at the expense of the individual, which has been a characteristic of all freedom-loving countries in the past 46 years. This outgrowth of the days of war, during which we made short-cuts through democratics rights under the excuse of need and contributing to efficiency, must be brought to an end.

I think that this bill will do its part to halt the march which has become ever more general since the outbreak of the first great war. The concept of efficiency has in the experience of 46 years brought about changes in democratic thinking that too often denied the rights of the individual. This bill will do its part to prevent unnecessary and unjustifiable interference with the rights of the individual by the state. To the average Canadian it will constitute a solemn declaration that we the Canadian people have the right to have our rights preserved. We have the right not to have determined what is right for us by others who are placed above the courts. It will determine now and for the future, in other words, that the dignity of the human person shall be maintained in equality under law and always without discrimination.

The purpose of the bill will be to achieve order and more liberty under law. This bill of rights will, I hope, establish a principle for all Canada which political passions will not dare to destroy. It will set up an altar of freedom that will ensure that the minority will not be unjustly treated by the majority. This is of the essence of freedom. It will place before Canadians a declaration in favour of a government of laws, not men. It will make individual Canadians strong in the knowledge that under law the state shall not interfere unjustly with the person.

The principles of freedom are never final. Freedom is not static. It cannot be fixed for all time. It either grows or it dies. It grows when the people of a country have it in their hearts and demand that it shall be preserved. I would be the last to contend that any document made by man, however impressive, can assure freedom; but I think that what we have done will provide an anchor for Canadian rights. The ultimate assurance of them must always be a vigilant people, vigilant to invasions of and intrusions on their freedom; for, sir, when the spirit of freedom dies in the hearts of men no statute can preserve it.

I am glad of this day. To all members in all parts of the house I say I hope that in the years ahead these days will be looked back upon and that those who follow us will say that whatever the disagreements in detail, there was a united parliament and that in that parliament, they builded better than they knew.

Mr. L. D. Crestohl (Cartier): Mr. Speaker, in the serene calm of post debate and the calm which the Prime Minister's rather complete summation of a splendid piece of legislation, I should like to make one or two personal observations. Certainly, it is thrilling for me to realize that I live in a free country, in which there is a free parliament, and in which such a piece of legislation can be enacted. I came to Canada, as my colleagues in the house know, rather a young boy with my parents. It was through the freedoms which we were able to enjoy in this country, those which existed on our arrival and those which continued to be improved and enlarged upon, that it was possible for me to become a citizen of this country and a member of this free parliament. It was in virtue of the citizenship act, which was enacted by a wise government, and in virtue of all the rights and freedoms which subsequent parliaments and legislation gave, that not only I, but all new Canadians joyfully welcome this bill of rights, not only in its entirety but also the spirit and the means by which it was enacted.

When the bill was introduced, some of us thought that it could be improved upon. As the Prime Minister so eloquently described,

the composition of the committee was arranged in such a way that all shades of opinions could be brought forward. I feel that as a result of the services which the committee so devotedly performed, and I think the Prime Minister agreed with this and I think he has said it, a better bill came out of the committee than went into it.

Some of us thought that perhaps it should have been more complete. I was interested to hear the Prime Minister (Mr. Diefenbaker) say during the course of the discussion that as time passes and as necessities arise, more freedoms and more rights, if they can be found, will be created. Some of us thought that not all were included that might have been, but if some were not included, I feel this was done with the best of intentions and the best of good will on all sides. One cannot always say with certainty that one is right. I had the thought, for example, that the right to Canadian citizenship is one of our basic human rights and I expressed some views on that during the course of the debate. I may not be right; I may be wrong. Perhaps those who advanced arguments against its incorporation in the bill were right, but it is quite possible that time will show that it is one of those human rights which Canadians should be privileged to have.

When I heard the Prime Minister invoke the Almighty I was touched, I was moved. I am rather pleased, yes, proud, that we have invoked the sacred name of God in the preamble, because to me it is a sanctification of the whole measure, and personally I am grateful to my leader who first suggested that a preamble should be incorporated in the bill. I also know that in the special committee the hon. member for Essex East (Mr. Martin) and other members pressed for the inclusion of a preamble. When one reads even the first paragraph of the preamble he cannot help but be moved by the aura of sanctity which now surrounds this magnificent piece of legislation. Let me read the first paragraph of the preamble.

> The parliament of Canada, affirming that the Canadian nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions;

In invoking the sacred name of God, Mr. Speaker, we all acknowledge that He is the one and the same God from whom we all seek divine guidance and wisdom in our duties and responsibilities as servants of the people of a great country. It is God who is the fount of justice, righteousness, compassion and charity; it is God to whom we turn for solace and comfort in adversity and it is God who guides the destinies of all of us, regardless of the place, means or language by which we beseech Him.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the time spent on this legislation, the serious consideration given to it on second reading, by a special committee of the house, by the committee of the whole house and now on third reading in the discussion of the principles of the bill and the numerous amendments moved by the opposition, I think there is little of value that I can add to the many excellent speeches that have been made on this subject. Suffice it for me to say on behalf of this group that while we welcome the passage of this legislation as a first step in the right direction we consider it as unfinished business and look forward to the incorporation of a bill of rights in our constitution.

The house divided on the motion (Mr. Diefenbaker), which was agreed to on the following division:

YEAS

Messrs.

Aiken	Dorion
Allard	Drouin
Allmark	Drysdale
Anderson	Dubois
Asselin	Dumas
Badanai	English
Balcer	Eudes
Baskin	Fairclough, Mrs.
Batten	Fairfield
Beech	Fisher
Bell (Saint John-Albert)	Fleming (Eglinton)
Belzile	Fleming (Okanagan-Revelstoke)
Benidickson	Forgie
Bigg	Frechette
Bissonnette	Fulton
Boulanger	Godin
Bourbonnais	Grafftey
Bourdages	Green
Bourget	Grenier
Bourque	Grills
Brassard (Chicoutimi)	Gundlock
Brooks	Habel
Browne (St. John's West)	Hales
Bruchesi	Halpenny
Brunsden	Hamilton (Notre Dame de Grâce)
Cadieu	Hamilton (Qu'Appelle)
Campbell (Lambton-Kent)	Hamilton (York West)
Campbell (Stormont)	Harkness
Cardiff	Hees
Cardin	Hellyer
Carter	Henderson
Casselman, Mrs.	Herridge
Cathers	Hodgson
Chambers	Horner (Acadia)
Charlton	Horner (Jasper-Edson)
Chown	Howe
Churchill	Johnson
Comtois	Jones
Crestohl	Jorgenson
Crouse	Jung
Danforth	Keays
Denis	Knowles
Deschambault	Korchinski
Diefenbaker	

Kucherepa	Pearkes
Lafreniere	Pearson
Lahaye	Peters
Lambert	Pigeon
Latour	Pratt
Leduc	Racine
Legere	Rapp
Lessard	Ratelle
Letourneau	Regier
Macdonald (Kings)	Regnier
Macdonnell	Ricard
MacEwan	Richard (Kamouraska)
MacInnis	Robichaud
MacLean (Queens)	Robinson
MacLean (Winnipeg North Centre)	Rogers
	Rompre
Macnaughton	Rouleau
McBain	Rowe
McCleave	Rynard
McDonald (Hamilton South)	Sevigny
	Simpson
McFarlane	Small
McGee	Smallwood
McGrath	Smith (Lincoln)
McIlraith	Smith (Winnipeg North)
McIntosh	Southam
McMillan	Speakman
McWilliam	Spencer
Martel	Stanton
Martin (Essex East)	Starr
Martin (Timmins)	Stearns
Martineau	Stewart
Matthews	Tardif
Michaud	Tassé
Milligan	Thomas
Monteith (Perth)	Thompson
Monteith (Verdun)	Thrasher
Montgomery	Tremblay
Morissette	Tucker
Morton	Valade
Nasserden	Villeneuve
Nesbitt	Vivian
Nixon	Walker
Nowlan	Webb
Nugent	Webster
O'Hurley	Weichel
Pallett	White
Parizeau	Winch
Pascoe	Winkler
Paul	Wratten—186.
Payne	

NAYS

Messrs.

NIL

Bill read the third time and passed.

PRIVILEGE

MR. CHAMBERS—REFERENCE TO PRESS REPORT OF SPEECH BY MR. HELLYER

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, I rise on a question of privilege affecting the privilege of all members of this house. In today's edition of the Ottawa *Citizen* there appears, under the byline of Mr. Charles Lynch, an article entitled, "Liberals' Defence Platform". It starts:

> The Liberals, after three years of agonizing indecision, finally came out today with their own defence policy—one that would involve several breaks with present policies of Canada and the United States.

Paul Hellyer, Liberal defence critic, placed the new Liberal defence platform before the commons in a major policy speech.

My question of privilege, Mr. Speaker, arises out of the fact that these words are reported:

> He advocated that the present level of defence spending be maintained and even expanded, but that the direction of that spending be altered.
>
> The main points:
>
> No nuclear weapons for use on Canadian soil or in Canadian airspace;—

An hon. Member: He has not made that speech yet.

Mr. Speaker: I take it the question of privilege relates to the describing of a speech in the house which has not yet been made?

Mr. Ricard: It was never made.

Some hon. Members: It was never read.

Mr. Hellyer: You will be sorry; your chief may make you sit in here and listen to it.

Mr. Chambers: In May's Parliamentary Practice, 16th edition, at page 55, it states:

> The repeated orders made by the house forbidding the publication of the debates and proceedings of the house, or of any committee thereof, and of comments thereon, or on the conduct of members in the house, by newspapers, newsletters, or otherwise, and directing the punishment of offenders against such rules have long since fallen into disuse. Indeed, since 1909, the debates have been reported and issued by an official reporting staff—
>
> When a wilful misrepresentation of the debate arises—

Mr. Benidickson: Are you making a motion?

Mr. Chambers: It goes on:

> —or if it may be necessary to enforce the restriction, the House censures or otherwise punishes the offender—

My point, Mr. Speaker, is that I have been in the house pretty well all day and I have not heard this speech. It seems to me that if a speech is to be made in the House of Commons today, as reported in this newspaper and also, I understand, in the Winnipeg *Free Press*, the house has a right to hear it before the Winnipeg *Free Press*.

An hon. Member: The Ottawa *Citizen*.

Mr. Speaker: I take it that there is a question of privilege. If the hon. member wishes to move a motion, he is at liberty to do so.

Mr. Chambers: Perhaps the hon. member involved would agree to explain how this occurred.

Some hon. Members: Explain.

Mr. Hellyer: Mr. Speaker, all I can say is that I did not write the newspaper dispatch.

Some hon. Members: Did you write the speech?

Mr. Hellyer: And seeing that this is what might be called bill of rights day in the House of Commons I think it would be a good idea to just drop the whole matter right now and, Mr. Speaker, we will deal with the accuracy or otherwise of the report when we get to the defence estimates, if and when we ever do.

An hon. Member: You scrapped everything else; you might as well scrap your speech.

JUDGES ACT

PROVISION FOR ADDITIONAL JUDGE IN PRINCE EDWARD ISLAND

Hon. E. D. Fulton (Minister of Justice) moved the second reading of Bill No. C-89, to amend the Judges Act.

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

On clause 1.

Mr. Martin (Essex East): Has the minister anything to say?

Mr. Fulton: Mr. Chairman, I believe that everything which needs to be said on this matter was said when the resolution was before the committee. It is a simple proposal to provide a salary for a fourth judge in Prince Edward Island which has been requested by all interested authorities in that province. It is recommended to the house on the basis, amongst other things, that the province proposes to abolish the separate position of probate judge and transfer probate jurisdiction to the supreme court of the province.

Clause agreed to.

Title agreed to.

Bill reported, read the third time and passed.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

The Deputy Chairman: Department of National Defence, item No. 217. This item will be found on page 44 of the blue book, the details on page 290.

Mr. Pearkes: Mr. Chairman, when I started to make my opening remarks yesterday I was referring to the three cardinal principles which govern our defence policy, namely that of the deterrent, that of collective security and that of forces in readiness.

The first of these, the deterrent, is brought about by the consequences of a war involving the use of nuclear weapons which are so terrible that we must make every effort to prevent such an occurrence. Whether our commitment is to NATO, to the defence of this continent or to the United Nations, we have undertaken such commitments in every case on the basic assumption that they will all contribute to the deterrent to aggression.

The second principle which I referred to was the requirement for collective security. The complexity of modern warfare coupled with the high cost of new weapons has made it impossible for any one nation to maintain adequate unilateral defences. This knowledge has resulted in Canada joining with other like-minded nations in such collective defensive alliances as NATO and NORAD and with others who are contributing to peace preserving forces of the United Nations.

Since events in the Congo are of topical interest at the moment I outlined briefly how we were assisting the United Nations force which is being assembled in the Congo to restore order and to prevent the outspreading of destruction which might possibly lead to war.

The final point I made was that if a deterrent was to be successful, if the collective forces of the west were to be effective, forces in being are required. There will be no time for a general mobilization as we have known it in the past, such as that which followed the outbreak of the first world war; and it is significant that today, August 4, is the anniversary of that first global war. There would be no time to regroup or reinforce the forces in the field. We must have regular forces well trained and well equipped to ensure that the deterrent philosphy will prevail.

When the committee rose last night I was discussing Canada's contribution to these deterrent forces of the west, and I was pointing out that no part of the NATO area has been absorbed by the soviet since 1949 and that this was not solely due to the threat of massive retaliation. The fact that substantial land forces with adequate technical support have been maintained in Europe has been responsible for the continued peace of that area.

Canada's contribution of one brigade group and the Canadian air division has not been large, but the fact that we are there in position well equipped and highly trained has had a psychological and moral effect on the alliance as a whole as adding to the over-all

effectiveness of the forces available. Certainly the retaliatory forces of the stragetic air command of the United States are a major part of the deterrent, but if that portion of the deterrent is to be successful it must have the capability of being able to reach stragetic targets in the Soviet union.

To facilitate that we have established four refuelling bases in Canada. From these refuelling bases tankers can supply, if necessary in the air, the bombers as they pass over, and hence extend their range.

An adequate warning must also be given to prevent the SAC bombers from being caught on the ground and sufficient protection must be available to safeguard their bases. In this regard Canada plays an important part. Canadian land space is essential in the maintenance of the required warning system. The radar lines which have been mentioned are effective against the manned bomber.

Here again it has been suggested that since an attack on this continent will now be by missile there is no further use for the radar lines. The fact is that at the present time and in the immediate future any attack on this continent would consist of a combination of both missiles and manned bombers. The Russians have a large number of manned bombers still in service in their air forces. To give up all defences against manned aircraft at the present time would be inviting disaster.

Production of the intercontinental ballistic missile by the Soviet union is not estimated to be in sufficient quantity at the present time to ensure a successful attack—that is successful from their point of view—against the military and industrial targets of this country.

Certainly if there were no defences against the manned bomber Russia has enough aircraft which, equipped with nuclear bombs, could create sufficient devastation to justify the opinion that an attack would be successful. The radar lines, interceptor aircraft and surface-to-air missiles are therefore necessary as long as there is a threat of a manned bomber attack and since Canadian territory and Canadian airspace are inexorably involved in the successful defence against such an attack, it is to Canada's advantage to continue to be a partner with the United States in the joint air defence command known as NORAD.

It has been made perfectly clear that at the present time there is no defence against the ICBM. An early warning system known as BNEWS, the ballistic missile early warning system, is being established to detect the actual firing of such missiles. Canada has made a substantial contribution toward this warning system by providing the communications between the warning centres and the centres of population. Extensive research work in which Canada participates is proceeding to devise a method to combat these ICBM's.

I should like to refer at this time to statements that I made in the committee concerning the activities of our research program. I said:

> In the event of an attack most ICBM's are likely to arrive in North America from a northerly direction. A special problem exists here because of the presence of the aurora borealis which tends to play havoc with radio devices. Radar beams can be seriously disturbed when the aurora is prevalent. Defence research board had for some time been investigating radio communications in the north and was well equipped to undertake a research program involving the aurora. In recognition of this fact, the United States offered to co-operate and loan to Canada a very powerful radar now installed at the Prince Albert radar laboratory. The scientific program of this laboratory is agreed with the United States authorities but full operational control is in Canadian hands. Much useful data already has been obtained. Defence research board scientists have also worked out measuring techniques for radio reflections from various types of warhead.
>
> Another defence research board program is designed to differentiate between a warhead and the other parts of an ICBM rocket wihch would be in space when such missiles have been fired. In particular, I might mention a program at the Canadian armament research and development establishment where projectiles are shot at high speed down indoor ranges in tubes in which a vacuum has been produced, thus simulating the conditions in the upper atmosphere. This program has been of great interest to our United States partners, and a number of agencies concerned with anti-ICBM problems have been awaiting the results of CARDE tests in order to use them in their own program.

Further along I said:

> The D.R.B. and the R.C.A.F. now are actively engaged in a co-operative United States-Canada program with instrumented aircraft in the south Atlantic connected with missile firings from Cape Canaveral. These tests are designed to determine what an incoming ICBM looks like.
>
> When an incoming ICBM has been detected and identified, a missile must be launched from the ground to intercept and destroy it. Time is of the essence and such a missile must be fired at a few moments' notice. Many missiles are now using liquid propellants which require considerable time for preparation before firing. A solid propellant capable of instant readiness is obviously the requirement of the future. D.R.B. scientists have been working for some time in the propellant field and, in particular, have been concerned with low temperature characteristics of such propellants. It is believed that these characteristics will be most important in an anti-missile missile. The work conducted looks very promising.

I could give many other examples of where Canadian scientists are spending their endeavours in defence research and are co-operating to a very successful extent with their United States colleagues.

In this year's estimates funds are provided for two items of equipment which on account of their capability have caused some

comment. I refer to the Bomarc surface-to-air missile which is to be installed at sites near North Bay and La Macaza and the CF-104 aircraft which is to replace the F-86 Sabres of the eight squadrons in the R.C.A.F. air division in Europe.

The subject of the Bomarc consumed a considerable amount of time in this session of parliament. Due to the fact that it is a weapon being developed in the United States the comments that have been made here have been based on reports emanating from that country. Press and unofficial reports have been varied to say the least. The fact remains that after a number of trials in the testing of this weapon and discussions in the debates preceding the authorization of necessary United States funds for its continued development and procurement, the Bomarc has been accepted and now is considered an effective weapon capable of adding materially to the over-all deterrent and anti-aircraft defences of both Canada and the United States.

The units which are being established here and in the United States will provide coverage from Winnipeg to the Atlantic coast and are sufficiently dispersed and have sites so small in area as to obviate the likelihood of destruction from an intercontinental ballistic missile. From the trials that have been recently undertaken, the Bomarc with a designated range of over 400 nautical miles and with an effective guidance system, will add significantly to our defences.

Construction work is proceeding at the two Bomarc sites, the one at North Bay and the one at La Macaza. The cost of these two sites to Canada will be approximately $12 million. Construction will continue throughout the winter and will be completed by the time the Bomarc launchers are available.

I think the real point of contention with regard to both the Bomarc and the CF-104 is that both these weapons systems have the capability of being armed with a nuclear warhead. While there are no funds allocated in this year's estimates, it has also been announced that the Canadian army is to procure the Honest John launcher and associated surface-to-surface missile, the 762 mm. rocket. This weapon, too, has a nuclear capability.

The Prime Minister has on a number of occasions made Canada's position clear with regard to the acquisition of nuclear weapons. Speaking in the House of Commons on July 4, 1960, as reported at page 5653 of *Hansard* of that date, and referring to remarks he had made on an earlier occasion, the Prime Minister said:

> On February 20, 1959, as reported on page 1221 of *Hansard*, I set forth the views of the Canadian government with respect to this matter, and they remain unchanged. At that time I set forth, as I say, that the full potential of these defensive weapons is achieved only when they are armed with nuclear warheads, and that of course was referring to Bomarc and other defensive weapons.

Later on he said:

> In these circumstances negotiations are proceeding with the United States in order that the necessary weapons can be made available for Canadian defence units if and when they are required.

I think it will thus be agreed that the weapon systems that are being procured require nuclear warheads to reach their full effectiveness. To refuse or to neglect to have these available when required would place an intolerable handicap on our defences. The defensive weapon can only be used when hostile bombers are in Canadian air space; but these Bomarc weapons and the interceptors which may be flying through Canadian air space are defensive weapons only to be used, and their nuclear warheads only to be used, when attack is imminent and hostile bombers are actually in Canadian air space over Canadian territory.

To declare in advance that we would never use such weapons would weaken immeasurably their deterrent effect. Do not let us overlook the importance of the deterrent. I emphasized that many times during the course of this speech. Thus, if we announce that we are not going to use them we would be decreasing our ability to prevent war, which is the main object of all our defence preparations. Such a declaration would give a would-be aggressor great comfort and would facilitate the preparations of his plans, as he would know the limitations of our defence.

When discussing this matter on July 2, 1959 the Leader of the Opposition made this point when referring to the use of nuclear weapons, as reported at page 5371 of *Hansard*:

> Tactical nuclear weapons have now been reduced to a point where they can be used by small formations against purely military targets. They are conventional almost in the sense that they are ordinary weapons with nuclear ammunition, but used in almost the same way as if it were ordinary ammunition. Second, if these weapsons were not used, NATO forces in Europe would be facing armies which had them and would not hesitate to use them. Unless we can get international agreement on this matter, the resulting military disparity created might well be considered intolerable to NATO morale. If the Canadian forces were deprived of these weapons or were not permitted to use them—this is a consideration which no doubt the government has very much in mind—their morale could hardly be expected to remain very high if they were serving alongside NATO forces which had these tactical nuclear weapons.

This records very definitely the opinion of the Leader of the Opposition, speaking for the Liberal party, as to his views on the use of nuclear weapons.

The Bomarc, the CF-104, the Honest John, will not be coming into service with the

Canadian forces until late in 1961. What we are undertaking and what has already been made perfectly clear is that we are discussing with the United States arrangements which will be acceptable to both countries as to conditions under which such weapons would be available to Canada if and when required. We are cognizant of the United States law on this matter. We are also firm in the conviction that the use of those weapons by Canadian forces should be at the discretion of the Canadian government. We are, therefore, going ahead with the procurement of the vehicles which can use these nuclear weapons, but the decision as to the acquisition of the nuclear warheads depends on circumstances which might develop sometime in the future.

In the past year great progress has been made in another aspect of our defence policy. I am referring to the part the Department of National Defence plays in survival operations. Our defence philosophy is, as I have said before, based on the deterrent but the possibility of the deterrent failing to prevent an outbreak of war calls for steps to be taken to ensure the survival of our country under these distressing circumstances. It is admittedly an awful eventuality, but the fact that we are taking such precautions is, in effect, an added insurance for survival.

As hon. members know, last September an order in council was passed assigning to various government departments, including the Prime Minister's office, various duties relating to survival. The Canadian army has been designated as the co-ordinating body within the department to carry out such duties as were set out in that order. Excellent progress has been made in the training of both the regular and the militia forces in survival operations. A great deal of equipment has already been obtained and the procurement of additional rescue and survival equipment is included in this year's estimates. Communications have been broadened and emergency regional headquarters are being constructed. I dealt with this in some detail when speaking before the estimates committee, and I should like to refer to some of the statements that I made there, as they define clearly the responsibilities of and the progress which has been made by the defence department in this respect. When dealing with national survival I said:

> It is essential for the preservation of Canada as a nation that there should be continuity of civilian government in order to provide guidance and leadership, especially in the event of a nuclear attack. Each provincial government must be closely connected with the central federal facilities for emergency government through a highly efficient communications system.

The responsibility for establishing the system rests with the Canadian army. Progress has been made in this respect. I continue:

> Regional centres are being established in each of the provinces. There will be some variation in their size and character, depending on a number of factors including the size of the population to be served, the likelihood of the provincial capital coming under direct attack, and particularly the emergency communications system and its technical requirements. The centres will be limited in size but will be sufficient to ensure the required operational capability.

Then I went on to describe in detail the responsibilities which the Department of National Defence had assumed in this respect.

> Provision of technical facilities and the operation of a system to give warning to the public of the likelihood and imminence of an attack.

That communication and warning system has now been established. It is manned down to the provincial regional centres on a 24-hour a day basis and is being extended to every large municipality and centre throughout the country.

> Determining the location of a nuclear explosion and the patterns of fall-out, and giving the necessary warning of fall-out to the public.

Once a warning of an impending attack has been given, should nuclear bombs fall on any part of Canada it is necessary to advise the population as to where the fall-out is likely to come down on various areas. The pattern of the fall-out is not the same from one day to another and it is necessary to set up a grid across the country. Such a grid is being set up with some 2,000 or more detecting centres being established. These are known as radiation reporting centres and they are in communication with the provincial centres.

I do not intend to repeat all I said on national survival during the committee's meetings. It is all included in the minutes of proceedings and evidence of the committee and in the pamphlet which I issued at the conclusion of those hearings. I do not want to repeat what I said at that time other than to say that the regular forces in Canada and the members of the Canadian militia are assuming these duties in a capable manner and with further training will provide a nucleus of men experienced in many ways with the various facets in which they will be involved in ensuring survival in the face of a nuclear attack.

I should like to say a special word about the militia and the other reserve formations, the Royal Canadian Naval Reserve and the auxiliary squadrons of the R.C.A.F. Changes in the nature of the threat, new weapons and so on have dictated a change in the role of

these bodies. As a result some have said that the need for these forces is reduced. That is not my view. The magnitude of the problem which would face this country in the event of a nuclear attack would require the largest possible body of trained and disciplined personnel. Those who give of their time and energy to ensure that we will be ready for whatever comes deserve the gratitude of all Canadians.

We are making good progress in supplying the militia with survival equipment. This summer many militia men attended training camps in which survival exercises were carried out in all commands across the country. From the reports I have received they have shown commendable enthusiasm and have made remarkable progress with their training.

To sum up, Mr. Chairman, I trust that what I have said with regard to our defence policy and the commitments we have undertaken to implement that policy have made clear our present position. We do have a very definite defence policy aimed, as it always should be, at preserving the security of our country, and the fact that our country continues to be secure indicates the success of that policy.

Critics outside this house can propound at length as to what is wrong with defence but unburdened by responsibilities their criticism is generally destructive, rarely constructive. In their lack of responsibility they have an advantage over the government. As Minister of National Defence, with the responsibilities that devolve on my position, I am required to make constructive decisions which will maintain the efficiency of our forces. I think that the steps we have taken in recent times with regard to the organization of our forces and in respect of new equipment either issued or on order have and will materially improve the contribution we are making to the overall deterrent and the peace preserving forces in many parts of the world. Our forces are well trained and of high calibre and wherever they serve they are making a vital and effective contribution to our collective defence efforts. We have every reason to be proud of their endeavours in this field.

Before I sit down, I should like to make reference to the reported speech of the hon. member for Trinity.

Mr. Churchill: The undelivered speech.

Mr. Pearkes: The report indicates that it was delivered in the house. The report reads in part as follows:

> The Liberals, after three years of agonizing indecision, finally came out today with their own defence policy—one that would involve several breaks with present policies of Canada and the United States.
>
> [Mr. Pearkes.]
>
> Paul Hellyer, Liberal defence critic, placed the new Liberal defence platform before the commons in a major policy speech.

Then the article goes on to indicate what he advocates. If I believed the article was true I would offer my apologies for the hon. member for not being here when he delivered that speech. However, I wish to extend my sympathy to him because he has been the victim of an irresponsible and unscrupulous newspaper reporter who, in order to obtain a newspaper scoop, did not hesitate to publish in advance an article based on the copy of the speech which I presume the hon. member handed to him.

I should like to say a few words about the main points made in that speech. As found in the article, the first one is:

> No nuclear weapons for use on Canadian soil or in Canadian air space.

I dealt with that a few minutes ago and if that is the Liberal policy, if they are prepared to sacrifice the efficiency of our deterrent and the means of destroying hostile aircraft when they are over Canadian cities and armed with nuclear weapons; if they wish to say that Canadian forces are not to have nuclear weapons for the very purpose of defending Canadians, I hope they will go throughout the whole country declaring that policy. It is quite obvious that that policy is diametrically opposed to the policy announced by the Leader of the Opposition which I referred to in the debate a few minutes ago. The next point is:

> Scrap plans to build the CF-104 supersonic jet interceptor for the R.C.A.F. air division in Europe, a project now under way at a cost of $400 million.

As I explained last night, the supreme allied commander in Europe asked us if we would re-arm and re-equip the squadrons of the air division which are now armed with the F-86 Sabre. After exhaustive inquiry into many different kinds of aircraft we decided that the F-104 was the most suitable aircraft which could be chosen for the role which the supreme allied commander had asked our squadrons to carry out. Having made the decision that the F-104 was the most suitable, we were happy to find out that other NATO countries who had made similar investigations to what we had had also decided the F-104 weapon would be the most suitable to them.

I mentioned yesterday that Germany, Belgium, the Netherlands and Italy were all procuring this same type of weapon. This means that many of the NATO forces have a uniform type of aircraft. It may be of interest to know that the minister of national defence of the Netherlands had this to say

when he announced the selection of the F-104G for the Royal Netherlands air force:

> The Netherlands government has decided to buy the F-104G to replace jet fighters now in use for the air defence and tactical air forces. Prior to taking this decision both the Netherlands and Belgium air forces made a comparative study of the problems involved. Both air forces wanted a type which was capable of both offensive and defensive tasks in order to give a small air force the most efficient operational effect. The Netherlands sees in the F-104G, the best plane to meet the double role requirement. Since the German and Canadian governments have already purchased the same type of aircraft, the "Star Fighter" also offers the additional advantage of a high degree of standardization.

This explains why we cannot subscribe to the points suggested in this speech, one of which reads:

> Scrap plans to build the CF-104 supersonic jet interceptor for the R.C.A.F. air division in Europe, a project now under way at a cost of $400 million.
> Acquire from the United States a supersonic jet interceptor to replace the CF-100 in Canadian home defence squadrons.

I explained yesterday that this latter matter was being given the most careful consideration by the government. I explained the difficulties that there were in reaching a quick decision, and I informed this committee that we would very soon be able to make a definite decision.

The next recommendation in the report of this speech is:

> Scrap the seven new destroyer-escorts now being built for the Royal Canadian Navy at a cost of $26 million apiece, and replace them by ships designed to act as combat troop carriers and supply vessels.

I do not know how combat troop carriers are going to protect the shores of this land against submarines. I should think that combat troop carriers might themselves be very vulnerable to attack by submarines. Then the article continues:

> Scrap the Bomarc-SAGE program for anti-bomber defence of the North American continent.

We find here what is described as the bold proposals, representing the Liberal policy, and they turn out to be nothing but scrap, scrap; scrap the CF-104, scrap the seven destroyers, scrap the Bomarc-SAGE, scrap nuclear weapons. It is a policy of scrap, and there is nothing constructive about it at all. If those are the bold proposals which the hon. member has been hoping to have an opportunity of propounding this afternoon and which he was so anxious to get before the Canadian public that he issued this to the press gallery so that it might be out on the wires across the country, I suggest to him that now is the time to scrap that speech.

Some hon. Members: Oh, oh.

Mr. Pearkes: Finally, this newspaper report goes on to suggest this:

> Expand defence research and specialize in the development of atomic engines for use in transportation, and particularly aircraft.

This afternoon, before I had the opportunity of seeing these profound suggestions, I read to the committee what I said over a month ago as to what our defence research was doing in this direction. Additional money is being provided in these estimates for research. I know the hon. member is going to pick me up there and say, but not for development. There is additional money being provided for research. Yes, these are bold proposals. Then he goes on to say:

> Mr. Hellyer's speech, embodying the beliefs of Opposition Leader Lester Pearson, said flatly that the Russians are not yet in a position to wage all-out war with any hope of success.
> "During the next two or three years, the likelihood of a planned, calculated all-out attack is not great," he said. Therefore, the intervening period could be used to alter the direction of defence spending without peril to the national security.

I think the hon. member must have been recalling some words which I uttered when I was before the committee, because at the very first meeting I said this:

> The Soviets would not, I believe—

That is a reference to me, not the hon. member for Trinity.

> —and this belief is based on the best evidence I can possibly get—deliberately take any action at this time which in their opinion would involve a serious risk of provoking a general war.

Then I did go on to explain how a general war might suddenly come about by misadventure or by the outspread of some local disturbance or by the possibility of there being a technical breakthrough which might enable one country to discover how to destroy missiles over its airspace. Under those conditions, by misadventure, by the outspread of a local war, by a technological breakthrough, war might come and it might come at any time. We are not the aggressor. The enemy chooses the time when he will attack Canada. But I agree, and I said so here, that conditions generally do not look as though at the present time the Russians are in a position to do that. In other words, I said, the communist world recognizes that a nuclear war with the west would only end in mutual destruction. Therefore, a sudden and planned attack is unlikely at the present time.

That was the great deduction that was made as to how this was going to change everything. The profound statement made by the hon. member for Trinity is obviously based on what I said at that meeting, no doubt reinforced by other statements which have been made elsewhere, which I have read as well as he. I would like to express

my appreciation to the hon. member for having adopted the remarks that I have made.

Mr. Hellyer: It is not impossible that we can come to the same conclusion on something.

Mr. Pearkes: This article starts with these words, and this is apparently going to be his speech:

> He advocated that the present level of defence spending be maintained and even expanded, but that the direction of that spending be altered.

As you read this program of scrap, scrap, scrap, he gives very little indication as to how he is going to spend the money he is going to save, other than buying supersonic interceptors from the United States—of which there are very few available, I can tell him —and buying these mysterious ships designed to act as combat troop carriers.

Again I repeat, and in all sincerity, that I am sorry the hon. gentleman in his enthusiasm to get this profound doctrine across the country beat the pistol and issued it in advance. But I sympathize with him for what I consider a scandalous abuse of the privilege of the press in publishing this speech before it was given in the house.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): That has happened so often on the other side that your observations are ridiculous.

Mr. Hellyer: Mr. Chairman, I have listened with great interest to what the minister has had to say, and to his statement, which has been a very lengthy one.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I wonder if before the hon. member starts his speech on these estimates we could get a copy of the speech so that we may follow it more accurately?

Mr. Martin (Essex East): You had better address that to your own speeches and every other person's in the ministry.

Mr. Hellyer: We Liberals try to oblige, and I will be happy to send this over.

Mr. Martin (Essex East): Is there no sportsmanship in this government? I do not think there is any sportsmanship or chivalry, in spite of the bill of rights.

An hon. Member: I walk alone.

Mr. Martin (Essex East): Unfair.

Mr. Hellyer: The minister today, of course, in addition to giving us very little new information in his own statement because of the lack of any positive direction or policy on the part of the government, has fallen into the mistake that some newspaper editorial writers sometimes make—

An hon. Member: You should know.

Mr. Hellyer: —when they write editorials on the basis of newspaper speculation, and the minister would have been well advised to have held his comments, as I suggested to him that he should, until he had heard the whole statement, so that he would know the reasoning behind the proposals which we intend to put forward.

The minister has said that our whole program is a matter of scrap, scrap, scrap. Well, Mr. Chairman, a great deal of the equipment he has been buying, and which is at the present time on inventory, is just junk and scrapping is the only thing to do with it. This will become more obvious as my speech proceeds.

I am making these suggestions today, of course, without the benefit that the minister has of confidential and secret information, and without the advice of the military advisers whom he has at his disposal.

Mr. Bell (Saint John-Albert): You were the minister of defence.

Mr. Hellyer: Notwithstanding that, we think it is worth while to put forward proposals and to enter into the type of discussion and debate which will assist, not only the gentlemen of this house but the people in the country at large to understand the many complex and difficult problems involved in this whole matter of national defence at the present time. It is a pleasure, in this sense, to give to the committee this statement. My leader will be speaking later in the debate and he will augment and amplify some of the ideas that will be put forward at this present time.

First, Mr. Chairman, Canada's defence policy, as has been stated by the minister, is —or at least should be—an instrument of our foreign policy. Our national objectives are to preserve the peace while at the same time guaranteeing those fundamental freedoms which we hold sacred, and these objectives are only possible, as the minister has again stated today, through collective arrangements.

This position is fundamental and, I am glad to say, bipartisan, because obviously a small country of the size of Canada is not in a position to defend itself against any possible aggressor. Peace is our only sure defence today, and the great objective of defence, as well as of foreign policy, must be to preserve it. If it is lost, and a general war breaks out—which, as the minister has said, would mean nuclear war—then there

is no defence that would ensure protection against universal destruction, and there is no defence of any kind through national effort alone. There is no sure defence and there is no possible victory. We can, however, as part of the defence coalition, dedicated to peace and freedom band together to prevent war by making it disastrous for any aggressor to break the peace.

The minister has repeatedly referred to deterrent as the solution in trying to avoid war, by making it disastrous for any potential aggressor to break the peace. Canada as a part of such a coalition can best achieve that measure of security that depends on defensive force, and within the measure of our resources we can give leadership in such a coalition. But only if we have a policy of our own. We can play an important part in appropriate collective arrangements. We can speak with a clear voice and we can take initiatives and promote ideas of far-reaching importance. We can generate enthusiasm and work diligently. All these things we can do with this independence which we claim as a free and sovereign nation. What we cannot do, however, is to pursue a policy inconsistent with the common goals.

If, as has been widely agreed, we depend for our survival as a free nation on mutual co-operation, then we must accept the reasonable conditions of that mutual co-operation. This does not imply subservience, but a true team spirit, comradeship and dedication to unity of purpose. Under these circumstances it is not possible to consider our defence posture in isolation, but only in the context of total western strength and policy.

There has been a great deal of talk about the possibility of disarmament. It is the goal which we must pursue with diligence and perseverance, but any agreement to disarm must contain satisfactory provisions for inspection and control. So far it has been impossible, Mr. Chairman, to achieve anything on this basis. We must pursue and search for agreement while at the same time maintaining our strength until disarmament has become a reality. In the meantime, the chances of success are far greater if the western world is negotiating from strength and not from weakness. Presently the balance of military power still remains with the west. I think the minister concurs in this view; he has stated so publicly on a number of occasions.

The capacity of the United States strategic air command is very great indeed. Last spring I had the pleasure, along with some other members of this House of Commons and of the other place, of visiting the headquarters of the strategic air command at Omaha, Nebraska. The briefing we received was very thorough and very reassuring in regard to the efficiency of that organization. General Thomas S. Power, commander in chief of SAC, answered our questions frankly and fully, which I might say was a most refreshing change for some of us.

There is no doubt in my mind, that the strategic air command stands on guard for the western world and that without the deterrent which it in part provides soviet imperialism might not have been contained even to the extent that it has been contained during the past decade.

Not only does the strategic air command have an overwhelming retaliatory capacity, but unquestionably at this moment it would be able to get through the Russian defences and reach its targets. The organization and communications of this command are of an order of magnitude probably unprecedented in the military history of the world. As is well known a substantial percentage of its bombers are on a 15-minute alert at all hours of the day and night. In the case of an alert they are put into the air and headed in the direction of their targets in case an alert should develop under any circumstances into an all-out nuclear attack. At a certain predetermined point, however, as is well known, they automatically return to their bases unless given positive, incontrovertible instructions to proceed on the basis of an authorization from the President of the United States of America.

The strategic air command comprises the bulk of the western deterrent and retaliatory power. The remainder lies with the bombers of the Royal Air Force and with the atomic bomb carrying strike attack aircraft stationed in Europe under NATO command.

This western military superiority in the nuclear and thermonuclear field has been overwhelming until recently. Now the Russians are narrowing the gap. They appear to be concentrating their efforts in the missile field, and in this field they have achieved remarkable success.

There are three main components to an intercontinental ballistic missile; the propellant, the guidance mechanism and the nose cone. In two of these, the guidance mechanism and the nose cone, the achievements of Russia and of the United States are not too far apart. In the field of propellants, however, the Russians have a considerable advantage over their western competitors. Both sides have perfected this weapon to the point where it has intercontinental capability of amazing and frightening accuracy. This is all the more remarkable when we recall that it is only three years since the first sputnik was placed in orbit,

and not long before that military scientists were saying that they would not live to see the day when the intercontinental ballistic missile would be operational. This incredible change in military science in the short space of three years has altered many of the traditional concepts and put great strain on our capacity to understand their implications.

Because of the intercontinental ballistic missile and its capability of knocking out retaliatory power on the ground, it has been widely suggested that the strategic air command should put its bombers on a continuous airborne alert. The United States government has taken the position that it is not yet necessary to do so. Their stand is based on the belief that the Russians do not yet have enough ballistic missiles to knock out the major portion of United States retaliatory strength on the ground, and that view would seem to be confirmed by what the minister said today.

In other words, even with a surprise attack involving the use of all of Russia's existing missiles the United States would still have sufficient retaliatory capacity to survive such an attack and to inflict unacceptable damage on the Soviet empire. A sufficiently large number of United States bases would remain intact from which this retaliatory power could be launched.

At the present rate of production of Russian missiles, however, the situation is changing from month to month, and under these circumstances one would expect the United States strategic air command to commence something more than a token airborne alert within the next year or so. This will become, provided there is no disarmament agreement reached in the meantime, absolutely essential in order to ensure that sufficient retaliatory capacity is at all times available to inflict unacceptable damage on the Russians. Only in this event will the threat of massive retaliation remain effective.

In the meantime the United States will no doubt continue to develop new and mobile retaliatory capacity in anticipation of the day when its bombers will wear out. This capacity will be provided through a number of projects. For example, the Polaris missile will be carried by atomic submarines. These will be deployed at sea and will be relatively invulnerable to enemy attack. Missiles and bomb-carrying aircraft will be available for launching by ocean-going ships whose whereabouts and position will not be known to a potential enemy and will not therefore be vulnerable to enemy attack in the same way as fixed land installations would be vulnerable.

The United States is developing a new intercontinental ballistic missile which they call the Minuteman which may be installed on mobile carriers such as trains, barges, et cetera. By moving these about they will not be sitting ducks for Russian missiles as they would be if based on permanent installations.

There are many projects underway designed to increase the mobile retaliatory potential of the United States, but these illustrations will suffice to demonstrate the effort being made. They must provide sufficient deterrent power to make it inadvisable for any aggressor to commence a war in the knowledge that retaliation would be sure and devastating.

In the existing circumstances this capacity must be maintained as long as the Russians have the power to strike. It is, according to many military scientists, the first priority of defence preparedness. As the minister has stated on many occasions, however, it is not a field on which Canada has chosen to embark.

It is perfectly obvious, however, that within a few years—assuming no universal disarmament agreement in the meantime—that each side will have sufficient capacity to devastate all major enemy targets with power to spare. This extra capacity is referred to in Pentagon jargon as an over-kill capacity. In layman's language it just means that there is more than one missile or bomber available for each target. When each side has this tremendous destructive potential which cannot be nullified by a surprise attack, it would be unthinkable for either side to take the offensive. No rational person would take the responsibility for an attack which would bring complete and utter destruction on his country.

There would be in effect a sterilization of the offensive potential on each side, an uneasy stalemate with neither side daring to fall appreciably behind the capacity of the other. At this point I should like to assert that I agree with the minister in one respect, that the development and research into anti-missiles and other weapons must continue for the very reason he stated earlier and which I just repeated, that one side cannot under any circumstances allow itself to fall appreciably behind the capacity of the other.

It is necessary then to consider what might happen under these circumstances. First of all there is the virtual certainty of an acceleration in the ideological and economic offensive. Second, there is the real possibility of skirmishes or limited engagements where potential aggressors would commence at least by using conventional arms only. Third, there is always the possibility of an irrational

attack, the act of a mad man or the consequences of an accident or miscalculation. The latter possibility, miscalculation or accident, may constitute the greatest danger that threatens us.

Even a cursory examination of news dispatches indicates the extent to which the western world has fallen behind on the ideological and economic fronts. We have shown a great lack of imagination in taking advantage of available opportunities. We have underestimated or failed to accept the magnitude of the task, our effort being analogous to the moving of a mountain of sand with a teaspoon. The west will have to accept the challenge and not only accept it but take the initiative all along the front. Failure to do so will result in defeat notwithstanding any expenditures for military equipment.

The best thing that military preparedness can do is to buy time albeit at a very high price. The economic and ideological aspects of the cold war are integral parts of the problem we face. They must receive full attention and corresponding action. As this is a defence debate, however, I will put my emphasis on the defence aspects and leave discussion of the economic and ideological aspects for another occasion.

General Maxwell Taylor in his book "The Uncertain Trumpet" has raised a question in respect to the policy of reliance on massive retaliation. I might underline that this is really part and parcel of the great defence argument which now faces us not only in this country but in other countries of the western world. I found his book disappointing and contradictory.

The one central point he raised, however, was clear. That was that at the time when both sides have a tremendous nuclear and thermonuclear capacity, what happens if one side decides to commence a limited action without the use of these weapons? In other words, reliance on the threat of massive retaliation ceases to be valid at a time when a bluff is just a bluff, when neither side would dare to stake the annihilation of its peoples and territories on the winning of a minor political objective. Under these conditions a limited action anywhere in the world involving the use by the aggressor of conventional weapons only would require either sufficient conventional forces to stop the attack or the use by the defenders of atomic weapons.

General Taylor cited the example of Korea where, as a matter of national and United Nations policy, action was limited to conventional weapons even against the advice of the commanding general. He suggested a similar condition not only could but might easily arise again. He questioned whether the United States and its allies have sufficient conventional strength to meet such a possibility and suggested that it would be prudent to consider sufficient augmentation to give military commanders the capacity to fulfil their objectives in accordance with the policy laid down by their political employers. He argued that more ground troops are required along with greater mobility and conventional fire power. The argument is basically realistic and one which cannot be ignored.

Another possibility which cannot be ignored is the possibility of irrational attack. It is difficult to comprehend the frightening implications of such a development. Certainly, by the mid-1960's—when both sides will possess a tremendous offensive capacity —there will be in the normal conventional sense no such thing as adequate protection or defence. If the deterrent fails, if general nuclear war breaks out, defence is futile, just as victory is impossible. That is not to say, as the military men will argue, that every attacking plane or missile shot down might conceivably save the destruction of a military target or a town. This argument really resolves itself into a mathematical problem. If each side has two missiles or bombers designated for each target it would be of little comfort to shoot down one of them. Of course, if both missiles or bombers destined for any particular target were shot down, the target or the town might be spared.

The cost of providing even a minimal and at best partial defence, however, is so staggering as to almost exceed the comprehension. The cost is so staggering because of the problems involved. The problem is not just shooting down bombers but also missiles launched from bombers, ICBM's and missiles launched from submarines. At the present time, of course, there is no known defence against ballistic missiles so that it is not just a matter of cost but also of technical possibility. Even should a major scientific breakthrough occur, however, which might offer the possibility of an anti-missile, the cost of providing installations on the scale necessary for even a token defence is so great as to be impractical. Consequently, one is driven to consider the alternative of spending on other projects.

I come now to a consideration of Canada's present position. It is necessary to discuss Canada's part in the over-all strategy and to study the integration of Canadian effort as a part of the whole, unless we disengage from the whole, and I do not recommend that.

Once it was known that the Russians had developed the thermonuclear bomb and had

the means of carrying it to the North American continent a scramble began to make such preparations as would give warning of any impending attack and permit the destruction of as large as possible a proportion of the attackers. The radar warning lines were built and interceptor squadrons established. Canada continues to operate nine air defence squadrons equipped with the now obsolete CF-100 interceptors; interceptors so slow they could not overtake the latest passenger aircraft.

To supplement the interceptor squadrons the United States undertook the development of a number of ground to air missiles designed for use against the manned bombers. All of these concepts had their inauguration before the intercontinental ballistic missile became operational. Included amongst them is the Bomarc anti-aircraft missile intended to complement manned interceptors as a second line or area defence.

Soon after the present government took office it signed the NORAD agreement which placed all of the air defence of the North American continent under a single unified command. This agreement, in a sense, did not materially affect the situation except perhaps as to minor improvements in communications and reaction time, in addition to the other aspect of control. Using this agreement as an excuse, our government has stubbornly insisted on proceeding with the installation of the Bomarc missile, notwithstanding our objection that it is a fixed installation which will be extremely vulnerable to enemy missilry by the time the whole system becomes operational. Its decision to proceed with the construction of fixed missile bases is contrary to the advice of the best military scientists of the day and should be reversed.

The Canadian navy continues to be occupied primarily in the anti-submarine role. The government is still building destroyer escorts of the same type they built three years ago, notwithstanding the development, in the meantime, of new and swift atomic powered submarines.

The Deputy Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Go ahead.

The Deputy Chairman: Does the committee give consent to the hon. member to carry on?

Some hon. Members: Yes.

Mr. Hellyer: I thank the committee for its indulgence. Canada's contribution to the North Atlantic Treaty Organization in Europe continues to be 12 interceptor squadrons and one army brigade group. The interceptor squadrons which were first line in 1956 have become increasingly obsolescent since. Last summer the present government announced its decision to replace eight of those squadrons with a version of the United States Starfighter interceptor, presumably designed to carry out a strike attack role. This is a development of considerable significance in that for the first time Canada has commenced on a policy of acquiring equipment capable of participating in the role of nuclear retaliation. The particular aircraft chosen for this job has been widely criticized and therefore it will ever remain a mystery why the Canadian government chose a high altitude air superiority fighter for conversion to a low altitude strike reconnaissance role. We in the Liberal opposition have maintained it was the wrong aircraft for the job. Superior aircraft were available and could have been in use sooner had the government so decided.

The remaining four squadrons of interceptors, according to the minister, are to continue in use for two more years, but after that what? The minister has given us no indication at all, neither in the committee nor again today, whether they will be replaced or withdrawn.

Our brigade group in Europe is inadequately equipped. This was made perfectly clear in the evidence given to the committee. The minister has indicated some minor acquisitions of new equipment, but at the same time he tells us the brigade troop is now trained to operate under nuclear conditions but without being equipped with nuclear weapons. At page 449 of the evidence of the special committee on defence expenditures, in reply to a question, the minister said:

> Yes, definitely. All troops of the Canadian army are trained so that they can operate on a nuclear battlefield, as well as being trained for the other tasks which might confront them; that is, the prevention of the outspread of a local war, where it is not anticipated that nuclear weapons would be used; and they are trained to be able to fight not only on a conventional battlefield, but also on a nuclear battlefield.

In either case that implies that the forces should be completely mobile; that they should be equipped with short range aircraft with helicopters, with amphibious carriers and so forth. We are advised, however, that none of this equipment is in the hands of the brigade group at the present time and that no money is included in the current estimates for procurement of these arms.

Mr. Churchill: May I ask the hon. gentleman a question? Is he advocating that nuclear weapons should be provided for the forces in Europe?

Mr. Hellyer: If the minister will bide his time and be patient, Mr. Chairman, he will have the answer in due course.

Mr. Churchill: I do not find it in the printed part of the speech in the paper, that is all.

Mr. Hellyer: You are going to have to be patient and hear it out if you wish to know, or else wait until tomorrow's report.

Mr. Churchill: Advanced reports tomorrow, too?

Mr. Chambers: More accurate?

Mr. Martin (Essex East): It is far better to have that kind of a report than to withhold secret reports.

Mr. Bell (Saint John-Albert): Martin is the one who held up the proceedings today.

Mr. Martin (Essex East): Mr. Chairman, would you direct the hon. gentleman from Saint John-Albert that when he refers to an hon. member to do so in accordance with the rules of this house, which call for the recognition of the constituency. In any event if the hon. gentleman would confine his remarks to himself we would make greater progress in the house.

Mr. Bell (Saint John-Albert): On a question of privilege, I apologize; I should have said the hon. member for Essex East was the one who caused trouble this afternoon by making his long speech at noon and thus the deadline was not met.

The Deputy Chairman: Order. We are now on the estimates of the Department of National Defence.

Mr. Hellyer: Mr. Chairman, after this small break for station identification I shall continue with the discussion of these matters. These omissions are a terrible indictment, the omission of adequate equipment, of the present administration.

In the committee the minister told us, that there was at the present time no requirement for the Caribou aircraft, and yet within a matter of weeks what do we find the government doing? We find it going out and making another one of those ad hoc, hurry up decisions, to acquire a piece of equipment of which it should have anticipated the requirement in a more normal and considered approach.

Mr. Churchill: May I ask the hon. member a question? Did he anticipate the Congo trouble?

Mr. Hellyer: In reply to the minister, let me say that troops which are properly equipped and mobile would have the equipment to deal with any of those situations without a crisis arising and that is exactly our objection to the policies of this government. They make nothing but crises decisions.

An hon. Member: What about Suez?

Mr. Hellyer: The government has left our brigade group ill equipped to do the job it might have to do, and the remedy is not in sight.

Mr. Lambert: What about Suez?

Mr. Hellyer: I have the Suez situation in mind when I make some of the suggestions included in this statement, and the hon. member should listen because he might learn something. I repeat, the government has left our brigade group ill equipped to do the job it might have to do and the remedy is not in sight. Yet the brigade group is still expected to do its job. It is little short of criminal negligence to permit the situation to continue.

Another new situation is the question of atomic arms. This has become a very urgent factor. Confused and conflicting statements on the part of various members of the government have left the situation completely up in the air. Announcements have been made that three items of equipment will be purchased, about which the Prime Minister said, as reported at page 1223 of *Hansard* of February 20, 1959:

> The full potential of these defensive weapons is achieved only when they are armed with nuclear weapons.

These include weapons for our NATO forces and for home defence. For NATO, our eight squadrons of new strike attack aircraft are to be equipped with atomic bombs. At the same time, as has been made perfectly clear from the evidence, no agreement has been reached with the French government in respect of stationing on French soil Canadian squadrons so equipped. Furthermore, according to the Minister of National Defence, no negotiations have yet taken place on the governmental level, although he states there have been preliminary discussions at the military level through the supreme allied commander in Europe. It seems difficult to believe that the government of Canada would go ahead and commit itself to the purchase of this equipment before arrangements were finalized for its use.

It is true that we do have two air bases in Germany and presumably F-104's could operate from them. In the day of missiles, however, it would seem sheer folly to station eight squadrons of atomic equipped planes on two

bases where they are vulnerable to sneak attack. We urge and demand that the government communicate to the house exactly what plans it has for the effective use of these machines.

The only other weapon on the government's present list which can utilize an atomic warhead is the Honest John ground to ground missile. This is a heavy and cumbersome piece of artillery but it is transportable by air if air transport is available.

With respect to North American defence, the government has committed itself to the use of the Bomarc anti-aircraft missile which even its staunchest supporters have never claimed to be effective without an atomic warhead. The government has committed the Canadian taxpayers to an expenditure of approximately $120 million for the SAGE-Bomarc system before it has made up its mind whether or not it will allow atomic warheads to be stored on Canadian soil. Without them the expenditure is useless but the decision has not yet been taken. It is a question of spending the money first and making the decision afterwards, a decision which might nullify the value of that expenditure.

The Prime Minister has said repeatedly that any atomic warheads stored in Canada would be under Canadian control. Obviously, however, this is not possible under United States law. The most that could be conceivably expected, would be so-called joint control. This is an arrangement under which Canada would have the discretion whether to use atomic warheads but only after they had been released to Canada by the President of the United States. It would be a question of whether to use uncle's car but only after uncle had decided it would be safe to turn over the key.

In summation, we allege that the present government has no defence policy. Its statements and actions with respect to air defence are confused and contradictory. It plans to re-equip our air division overseas with an aircraft which is virtually, I believe a re-design, notwithstanding government statements to the effect that we are no longer in the development business. It continues to build ships which may well be obsolete by the time they are launched. It organizes our brigade group for atomic war while at the same time denying it the necessary mobility and fire power. It involves us in the acquisition of weapons which only reach their full potential when armed with atomic warheads before any decision has been reached whether or not to so equip them. All in all, Mr. Chairman, the government's fumbling in defence matters is a sad and sorry mess. Our objection is not that they are spending too much or too little money but that what they do spend is not spent wisely or well. The objects of many of their expenditures are obsolete or pointless.

We asked for a special committee in order that a thorough study might take place. We asked the government to state a policy, a coherent, full and complete policy. Failing that, we felt we would be obliged, in keeping with our responsibility to the Canadian people, to indicate an alternative. The committee met but witnesses were not called. The minister failed to clear up the existing confusion. In opposition we do not have the advice of the chiefs of staff and we do not have access to classified data. Notwithstanding the limited information available to us, however, we feel obliged to live up to our undertaking and to indicate what we believe to be a sensible alternative to the government's confused lack of policy.

Based on all existing evidence, we believe that the Russians are not yet in a position to wage an all-out war with any hope of success. The minister re-emphasized that this afternoon and that is one point on which we agree. During the next two or three years the likelihood of a planned, calculated all-out attack is not very great. In our suggestions, therefore, we have projected on this basis to the circumstances we expect several years hence at a time when the Soviet union will have a very large missile inventory which will neutralize and be neutralized by the striking capacity of the United States.

My first heading in this regard is continental air defence. By that time effective defence of the North American continent in the traditional sense will not be practical. Even if there should be a scientific breakthrough in the anti-missile field, it is not likely that the defence could overtake the tremendous lead presently enjoyed by the offence. Under these circumstances the main continuing function of what is presently continental air defence will be detection and identification. These are continuing requirements. Speaking to the NATO parliamentary group in Washington on November 18, 1959, General Kuter said:

> We must first know what is present in our air space. Next, we must identify the object as friendly by one of several available methods. Failing in this, we classify the object as unknown, which necessitates an immediate scramble of an interceptor to visually examine the unknown.

As I stated earlier, it is likely that within the next year or so the strategic air command will find it necessary to commence a significant airborne alert. When it does, there will be hundreds of SAC bombers flying each way across Canada daily. These bombers will pass through our radar warning lines, the

D.E.W. line and the mid-Canada line. There is no problem in this as long as the communications systems remain intact but if they are disrupted problems arise. For example, if Russian trawlers were to cut trans-Atlantic telephone communications, as they have done, SAC bombers leaving European and African bases and coming to North America over the great northern route would have to rely on radio communications for the filing of flight plans. Radio communications though usually reliable are subject to wide fluctuations and at times are quite undependable. There is the possibility, therefore, of SAC bombers appearing on our radar screens as unidentified objects. Consequently, it is desirable that we have some equipment capable of undertaking a positive indentification. I might add that sometimes commercial aircraft fail to file flight plans. One case I remember well is when the Prime Minister and the Minister of Transport left for Winnipeg and wound up in Quebec city. This is just one other example of an occasion when it is better to send up an aircraft to take a look than to send up a Bomarc and say goodbye.

Mr. Pearkes: Do you believe that?

Mr. Churchill: You said goodbye to a lot of your friends who were once here.

Mr. Hellyer: Our present equipment allocated to this task of identification is the CF-100 interceptor. This plane is far too slow to overtake the fastest bombers in the Russian inventory. Obviously, therefore, if the identification role is to be carried out satisfactorily we must have a supersonic aircraft at least twice as fast as the one at present in service, one capable of a reserve of speed sufficient to allow early identification. The United States air force is very anxious that Canada should take such action, so anxious, indeed, that it has agreed to purchase from Canadair Limited of Montreal a number of CL-44 carriers if the Canadian government will at the same time buy a number of United States supersonic interceptors as replacements for the CF-100.

There has been considerable objection raised in the United States senate to the possibility of the United States air force buying Canadian planes. It was overcome, however, on the basis that the deal would be good for both countries. Because of the nature of the arrangement there would be no appreciable balance of payments problem and the employment created on one side of the border would approximately equal that enjoyed on the other side. The number of interceptors acquired would not be nearly as great as the number of CF-100's presently in our nine squadrons. Perhaps the number which would be acquired under this arrangement would be sufficient for this role.

After consideration of all the factors involved we would recommend the acceptance of this proposal. I think the minister concurs with this suggestion, we hope he will, and that he will endorse it before the debate is concluded. The advantages to both countries are considerable. Canada would obtain a supersonic interceptor which would carry out the identification role and also, because it would be available immediately, it would provide some limited defensive capacity during the next two or three years. It would seem preferable that this role, which of necessity must be carried out over Canadian skies, should be done by the Royal Canadian Air Force and Canadian airmen. From the commercial standpoint, Canadair would obtain an advantage in cost which would put it in a more competitive position in regard to future sales of the same aircraft to commercial carriers. This would be a most welcome boost to Canada's failing aircraft industry.

Because of our belief that from the mid-sixties on there will be no possibility of effective air defence of the North American continent we can see no reason for continuing with the installation of equipment designed exclusively for that purpose. It is our contention, therefore, that the government should discontinue at once its participation in the SAGE-Bomarc system, and not proceed with the installation of radar gap fillers. These are only useful against attack by manned bombers. We contend that the possibility of attack during the next two or three years is not very great, and this is the only period during which these installations would be worth while. Interestingly enough, this would be the period during which they would be still under construction, not yet operational. By the time they are in place they will be obsolete, because by that time an all-out offence would involve the overwhelming use of missiles against which there is no defence.

Elimination of the SAGE-Bomarc system in Canada would eliminate the necessity for Canada storing or using atomic warheads on Canadian territory. The supersonic interceptors, which we would be acquiring under this arrangement, could be armed with conventional guided missiles such as the sidewinder. There would then be no immediate question of extending control of atomic weapons to another power. I know that this is a matter of great concern, not only to us on this side of the house but to the government, the Prime Minister and to others.

Then, in respect of NORAD, may I say that the leader of the Liberal party has stated from time to time that we believe NORAD

should be part of NATO. We are not satisfied, on the information given us, that this liaison requires Canadian membership in NORAD as an organization outside the NATO command structure. We think it is one which reflects the form more than the substance of partnership. On the basis, however, that our future contribution is confined to the detection and identification roles, we would not withdraw from NORAD unless it could be positively shown that the necessary liaison was possible outside of that organization.

I come now to NATO. At the time the NATO agreement was signed the objective was to build up in Europe a shield consisting of a substantial number of divisions armed with conventional weapons. Subsequently, however, at a time when the United States still had overwhelming superiority in atomic capability the NATO forces were reorganized along the lines dictated or at least rationalized by the theory of massive retaliation. More recently the European NATO shield has been described as a trip wire, a defensive force which would cause any attacker group to pause long enough that a rational decision must be taken before proceeding further with the attack, presumably in the knowledge that to proceed would bring about an all-out, unlimited war. This theory loses its validity, however, when the time comes that the threat of nuclear retaliation is merely a threat. When the offensive capability of each side is neutralized by the other the only way to stop a ground attack would be with those forces immediately available for that purpose. For this reason, we urge the NATO alliance to take cognizance of the future situation and to reorganize and rebuild its forces to the point required to stop a conventional attack by conventional means.

We believe that there should be a complete re-examination of the defence strategy of the NATO alliance to this end. Until that is completed and the Canadian role can be assessed in the light of its result the brigade group should remain in Europe in its present role. We deplore, in any event, its lack of more up to date equipment for its presently assigned task. We recommend that it be supplied with aircraft, helicopters and amphibious equipment necessary to give it the maximum flexibility. We would also recommend a policy of supplying it with up to date weapons with the maximum firepower.

Mr. Churchill: Would the hon. member answer the question which he asked me to defer as to whether or not he would provide nuclear weapons?

Mr. Hellyer: What was the question?

Mr. Churchill: The hon. member said the brigade was inadequately armed, and I was asking if the hon. member was advocating the supply of nuclear weapons to the brigade in Europe?

Mr. Hellyer: I think it is clear from what I have said that we are advocating a complete re-examination of defence strategy of the NATO alliance, and we would not want to prejudge the results of that examination.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hellyer: Mr. Chairman, at six o'clock we were discussing the alternative policy being put forward by this party in respect to the re-equipment and redirection, in a sense, of our armed forces. We had just completed discussion in respect to the brigade group in Europe.

With respect to the air division, we regret the decision of the government to re-equip on the basis of the strike attack role. Canada has not, in the past, contributed to the offensive potential in any way, and especially any nuclear potential. We feel that it is unnecessary and unwise to change this basic policy. Re-equipping the air division in this way creates a number of problems. Included in these is the possibility of duplication of targets between NATO's tactical bomb-carrying aircraft and the bombers and missiles of the strategic air command. It creates a serious problem as to the bases from which these planes can be operated and, above all, it creates the problem of the use by Canadian forces in Europe of nuclear weapons under national and not under collective control. By "national" I mean United States control.

If such weapons, even tactical defensive ones, are to be used as part of NATO defence forces, this should only be as a result of a collective NATO decision and if they are brought under NATO's collective control. Furthermore, we have no confidence in the aircraft chosen. We have never been able to understand why the government would choose a high altitude air superiority fighter converted to a low altitude striker role. Indeed, the long period of time which has elapsed between the selection of this plane and the present, when we are informed that the prototype has not yet been completed, is indicative of the extent to which modifications were necessary. This amounts practically to the development of a new aircraft, at a time when the Prime Minister has told us that Canada is no longer in the aircraft development business.

We also note that even after continued efforts the major accident rate of those models of this aircraft presently in use remains approximately double that of other "Century class" interceptors. Under these circumstances we would recommend cancellation of the acquisition of the CF-104 and the abandonment of Canada's offensive role.

Mr. Pearkes: Canada has no offensive role.

Mr. Hellyer: We suggest that the air division in Europe should be given a ground support role designed to give ground cover and tactical support to our brigade group. The aircraft chosen for this role, a new aircraft, would be one which could be utilized similarly in any trouble spot in the world where Canada's forces might be engaged.

Here again we would emphasize the international character of our defence policy and forces. This type of air support and air cover would be extremely valuable in circumstances of brush wars, limited engagements, et cetera, where perhaps United Nations action might be required, as well as in defence against conventional attack in Europe. The contribution it would make might be of significant importance, whereas in the event of an all-out attack we cannot imagine that a few strike attack aircraft armed with small atomic bombs are going to alter significantly the outcome.

In respect to the Canadian navy, at the present time the Canadian navy is assigned almost exclusively to the role of anti-submarine warfare. Based on the belief that after the mid-1960's real defence is impossible, the navy's anti-submarine role will be like any other form of defence, only partial and inadequate as far as the protection of the Canadian nation and all our peoples is concerned. Destroyer escorts presently being built are not as fast as contemporary submarines being built by the United States and Russia. They are also more vulnerable. Continuance of this program beyond the present strength seems to us quite unrealistic. In these circumstances the government should consider the possibility of replacing the six destroyer escorts in the current program with ships designed to act as combat troop carriers and supply ships, useful among other things for United Nations service. These could be used as bases for launching and supporting land operations in areas inaccessible to long range transport aircraft. These ships would increase the flexibility of Canada's mobile tactical forces and would add considerably to our capacity to react to United Nations requests involving international police action. Last night the minister spoke of mobility, transport mobility; but surely forces which do not have sea support miss in one essential respect the all-round type of tactical transport and support which might, under some circumstances, be required.

The hon. member for Edmonton West stated this afternoon—at least, he reminded me to think back to the Suez situation. I am thinking back to when the Canadian aircraft carrier had to be stripped of its equipment in order to provide transport. It was not subsequently used, but the capacity was not at that time there which was considered essential and which might, under different circumstances, have been essential. Similarly, the minister told us in a statement—

Mr. Chown: Could I ask a question?

Mr. Hellyer: As soon as I am finished you can ask all the question you want. The minister also mentioned that troops should have the capacity of meeting commando operations anywhere in Canada, and yet very large portions of this country, including a great part of our sea coast, are inaccessible by air. They are inaccessible in any way except by sea, and certainly the type of mobility we have in mind here would add something to the general flexibility and capacity of tactical forces.

With respect to air transportability the Liberal party once again urges that the government's present program in respect to air transportability be augmented. It recommends an increase in the number of long range transport aircraft, sufficient to permit the simultaneous airlift of one brigade. This capacity would be available to transport Canadian troops to trouble spots anywhere in the world, which would tremendously increase Canadian capacity to respond to United Nations requests for immediate assistance. This capacity would be available, not only for transporting troops but for evacuating refugees, transporting food and supplies, et cetera. This capacity to airlift the brigade would be true air transportability. Again, the events of the last two weeks have demonstrated the necessity for this.

In the Congo situation you had practically an exclusive airlift by the United States military air transport service. It could easily happen that a situation will arise where for one reason or another it was not advisable to use military transport of the United States. Under those circumstances a large capacity for a Canadian airlift would prove extemely valuable and could be of great assistance not only to those troops or personnel we might be supplying in that particular situation but also to other nations with whom we might be co-operating.

Now as to research. This party believes that one of Canada's greatest contributions

to collective defence is in the field of defence research. We contend that we have the scientists and the capacity to undertake pure and applied research far in excess of the present level. We would recommend that expenditures in this field be augmented by annual increments until a level considerably higher than that of the present one is achieved. As a general policy we should undertake on behalf of the western world any research projects within our capacity referred to us. At the same time we would be able to put forward our own ideas and the method of selection would not be too different from that presently employed by the defence research board. We believe that many of these projects could be carried out at Canadian universities and by Canadian industry on behalf of the defence research board.

In the field of applied research we recommend the development of some equipment in fields where it is believed that Canada could become pre-eminent. We realize that there are a few limited projects which might come within this class or category at the present time, but very few. These areas of development would provide the technical and industrial know-how which would permit Canada to compete in world markets in respect of the commercial equivalents and derivatives of such development. This specialization would provide steady growth for the export of Canadian manufactured goods.

There is one major area of development which we feel would be a challenge to Canadian capacity, and particularly suited to Canadian needs. It is the development of atomic engines for use in transportation, particularly as applied to aircraft. This is a project with virtually unlimited civil and defence applications.

We are told that the Russians are developing atomic powered aircraft and that the west is falling behind in this race. It is also forecast that atomic powered aircraft will, to an extent at least, supersede the guided missile. It would be capable of flying for virtually unlimited periods at low altitudes at supersonic speed and will render existing radar equipment and allied paraphernalia obsolete. As a component of a deterrent force it will be mobile and virtually invulnerable, being at the same time capable of carrying and launching ballistic missiles with deadly accuracy. Commercial and other applications are virtually unlimited and test the imagination to conceive. This would not only be an unique and urgent contribution to the collective defence of the west but would also be of vital importance to Canada's industrial potential.

[Mr. Hellyer.]

Unquestionably the day will come when there will be a very large world-wide market for small and medium sized atomic reactors and engines. Canada as one of the world's leading uranium producers will be vitally interested in supplying fuel for this market. The market, however, will likely be available to those who are best equipped through experience and capacity to provide the complete package. For this reason future uranium sales would hinge to a large extent on Canada's ability to capture for itself a sizeable proportion of the world reactor market. Seldom has a country been faced with such a promising challenge of such great opportunity. This is not the first time I have put forward this suggestion. It is in fact a restatement of a proposal I made at the national Liberal convention in January, 1958. I believe, however, it is one worthy of implementation without further delay.

It has been stated that Canada cannot afford to undertake any major developmental projects. This view has been widely accepted and is held by the present government. Obviously, however, if there are 15 major developmental programs required to be done by the western world Canada should be able to afford and should undertake one of them. The United States with her great resources can well afford to do many, but at least we should do our proportionate share. The attitude of the present government reminds me of the parable of the talents. Discovering to its horror that Canada had only one talent, our government decided to bury it in the ground. This is a negative and passive approach to the use of our resources. There is, of course, always the risk of failure and failure is embarrassing. A government with courage, however, would not turn its back on the course it believed to be right, simply because of the element of risk involved.

All of these suggestions have been based, of course, on the premises stated. These, unfortunately, include no general disarmament agreement. This party has urgently stressed the importance of trying to arrive at an agreement which would reduce the likelihood of the possibility of an atomic war or indeed of any war. We still believe that all efforts should be bent in this direction. Any agreement, to be workable, however, must have effective provisions for inspection and control. Today's discussion is based on the conditions existing in the world today, that no such agreement has yet been reached and that the possibility of living through a long period under what might be called the era of thermonuclear terror is a

real possibility. If this is so, civil defence becomes a much more urgent problem.

In an extended period where each side in the cold war possesses the power of thermonuclear destruction there exist two possibilities of catastrophe. First, if one side thought it had an overwhelming military superiority which would enable it to launch a surprise attack and survive retaliation there could be the temptation of a calculated risk. Much more likely, however, would be the possibility of a war started by a madman or as the result of an accident or incident. Should this occur there is no real protection against disastrous destruction. There is the possibility, however, of saving a good proportion of our population by taking adequate steps to protect against radiation.

It is obvious from talking to Canadians in all walks of life and reading letters to editors that we have, as a people, been brainwashed. We have adopted the fatalistic attitude that in the event of an all-out war all is lost and there would be no survival. It would be the end of civilization, it is said, like "On the Beach". This fatalistic viewpoint is just not sound. "On the Beach", written by the late Nevil Shute, is science fiction and does not purport to be technically accurate. In the event of all-out war millions of people would be saved if fall-out shelters were available. From the standpoint of survival alone this is just about the most effective way in which we can spend money on defence against attack. Over a period of years, for a small proportion of our national budget we could provide survival for a large proportion of our people.

Furthermore, it has been asked "What is the sense of surviving if one takes into account the conditions of radiation which would exist in the post-attack environment?"

This case is very well stated by Rogers Cannell, manager of the industry and civil defence research, Stanford research institute in an article entitled "Civilization Can Recover" in which he states:

> Many accept the idea that shelter can effectively reduce casualties but believe that survival in the post attack environment would be impossible. They fear the invisible and mysterious atomic radiation and believe that recovery from the loss of a major portion of the nation would be impossible.
>
> A radioactive environment will take its toll. This fact must not be minimized. But it is also important to know that its toll is not worse than a setback of only a few decades in medical history. Our lives would be as long as our grandfathers' and the proportion of stillborn children and child deformities should be no worse than 30 years ago. In fact, the post-attack environment with our present state of medical knowledge would be somewhat safer than the one most of us entered at birth.

The author goes on to draw examples from history including one from the thirty years' war. One or two of my newspaper friends have told me I should not refer to such an historical example so I will not. But if I were to mention it I would merely say—

Mr. Pearkes: Go ahead.

Mr. Hellyer: —that history does offer additional evidence that a civilization can recover from a devastating war. In the words of Mr. Cannell:

> Take, for example, the thirty years' war—an ideological conflict fought in central Europe in the first half of the 17th century. The loss of life due directly to the war has been placed by the lowest estimate at one third of the entire population of both Germany and Bohemia. Other estimates run as high as 80 per cent. The social effects were catastrophic—entire districts were turned into deserts, wolves ran in the streets of once populated cities, and cannibalism was widespread. Yet, in a generation or so these areas had recovered in most respects. After a nuclear attack, short in duration, and starting from a much higher base of knowledge, recovery would be far easier for us. War must be prevented at any cost—

I wish to underline this. The goal of all our policies and proposals on both sides of the house is equally dedicated to one important realization and that is the avoidance of war. If there is any difference between us it is merely on the means of achieving this end. Again in the words of the author:

> War must be prevented at any cost—and protection and preparation for recovery are part of that cost. But war is not the end of civilization. We must take every step we can now to accelerate the recovery process.

Believing this proposal to be fundamentally sound we urge steps to accelerate rapidly a national capacity to survive a nuclear holocaust. Like any other insurance it will be expensive, but it is certainly far more urgent and necessary than many of the ways we presently spend our national income.

Before leaving the subject of civil defence I want to admit that I am a recent convert to this way of thinking. Until recently, at least, like many other people I wondered just what efforts could be taken that would be of any use, if indeed there were steps which could be taken, which would justify the expense and which would offer some reasonable insurance in case of all-out attack. After giving the matter considerable study, however, I have come to the conclusion that under these circumstances—under the circumstance of an uneasy period of years when both sides have the capacity of total thermonuclear annihilation—we have no alternative but to try and take such steps as we can to protect the largest possible proportion of our civilian population.

I believe this to be urgent. I think the minister, to at least a certain extent, agrees with this. I hope that we will have a more realistic attitude toward this matter of civil survival which up until now has been more a matter of games, planning and the passing of papers than it has a real and vital program.

In summation then, the Liberal policy is designed to meet in the best way possible the following conditions:

1. To spend those funds set aside for national defence effectively and wisely.
2. To contribute to our collective alliances those components which continue to be useful.
3. To build forces flexible enough to respond to virtually any United Nations request for assistance; forces in being, fully equipped, fully mobile and transportable by air or sea; forces capable of effectively participating in any brush fire or conventional encounter before it gets out of hand with the possibility of triggering a wider conflagration.
4. To build forces which would be useful as part of a world police force in the event a disarmament agreement should be reached.
5. To contribute to research to the end that the western world forge ahead in scientific development keeping in mind also the economic by-products which might accrue.
6. To provide the maximum protection possible to the Canadian population in the event of irrational attack.
7. To promote an even more effective Canadian contribution to the preservation of world peace.

Mr. Chairman, we believe that the suggestions we have made will contribute materially to these objectives. Before resuming my seat I should like to deal briefly with one or two of the comments made by the minister at the conclusion of his remarks. Unfortunately, I have not had an opportunity to examine his address in detail so I will deal with the other points later.

The minister tried to leave the impression that by a policy of not having Bomarcs and nuclear warheads for Bomarc the Canadian nation was being placed in jeopardy. Nothing could be further from the truth. If we believed for one moment that the Bomarcs provided any real protection with or without nuclear warheads we would concur in their use, but we do not believe so. On the contrary, we think they are nothing but an added liability. We think they would put in jeopardy the survival of people in the immediate area because they would in fact become one of the few priority targets in this country.

In our minds it is not a question of using a missile with an atomic warhead such as the Bomarc. It is our conclusion after serious consideration that in the time period in which these missiles will be in operation they will provide no effective defence whatsoever and might just as well not be there. If anyone else thinks differently let him support the policy and let him pay the piper. We do not believe so. We particularly do not believe so when the atomic warheads would be under the control of the United States government.

Mr. Pearkes: That is not correct. The hon. member knows that is not correct.

Mr. Hellyer: With respect to atomic weapons being used by NATO, as we have stated we urge a complete revaluation of the NATO policy to determine if it would not be possible to build up conventional forces. We have stated that we would not wish to anticipate the results of such reconsideration. If after this reconsideration it was felt that situations might arise when nuclear defensive weapons have to be used, then we would urge, provided it was a collective agreement, that these weapons be supplied and used or not used in respect to a collective NATO agreement.

There is nothing unreasonable about this. Our position has been logical and straightforward. We do not believe, however, that it is necessary for Canada to embark on a new role in Europe which it has never had, a role of strike attack with Canadian aircraft, carrying atomic bombs, which can penetrate enemy territory and be part of the retaliatory forces if so decided.

Mr. Ricard: Coming and going at the same time.

Mr. Hellyer: I am sure that on reflection the minister will see the error of the early and hasty remarks he made, and we would be pleased to hear from him further in this regard as the debate continues. We will take another look at his statement, because our purpose is to try as best we can to contribute to a pool of ideas and the working out of solutions which are in the best interests of this country. I do not think any hon. member would deny this motive to anyone on any side of the house. We are not for one moment detracting from the sincerity of the government in what it is doing. All we are saying is that we disagree with the mechanics and with some of the specific proposals which the government has placed before this house.

In conclusion, in respect of the incident that happened today, I should just like to say that I had a few typewritten copies of my speech which I gave to a number of newspaper reporters who asked for them until all of the copies were gone. Each copy was marked "For release on delivery". I cannot believe that a newspaperman, or a newspaper, would deliberately violate the agreement under which advance copies of speeches are

made available to them. I am sure that from time to time accidents do happen. This is not the first time that speeches have been printed by mistake in advance of delivery. I do not believe it was done wilfully, but—

Some hon. Members: Oh, oh.

Mr. Hellyer: All hon. members will agree, that notwithstanding the possibility of some mechanical miscalculation which can happen even in the defence department, this time-honoured practice would not be wilfully violated by any member of the press gallery or of the Canadian Press.

Mr. Nesbitt: Will the hon. member who has just taken his seat permit a question?

Mr. Hellyer: Certainly.

Mr. Nesbitt: The speaker prefaced his remarks, as I recall it, by saying that he and his party did not have classified information at their disposal, nor did they have the advice of the chiefs of staff on which to base their ideas but their ideas were reasoned out logically. If that is the situation, on what basis does he, then, categorically state that it would not be possible by 1963 or 1965 for ships of the Royal Canadian Navy to deal effectively with Soviet submarines?

Mr. Hellyer: On the basis of that information which does from time to time make itself available by means best known to the hon. gentleman, which I believe to be substantially accurate, and I do not think the hon. gentleman would deny that.

Mr. Churchill: Will the hon. member permit a question just for clarification? In the course of his remarks the hon. member attributed to the Prime Minister the statement that Canada is no longer in the aircraft development field. Will he give me the reference?

Mr. Hellyer: I do not have the exact reference, but it was made in the speech which was delivered in the house—on a Friday, I think it was—at the time the Avro Arrow was cancelled.

Mr. Churchill: I have the speech in front of me and that statement is not there.

Mr. Hellyer: I will look it up for the hon. gentleman.

Mr. Winch: On account of the importance of the item which is now before us and the fact that it does deal with a very complicated matter I intend to follow the procedure that was established by the Minister of National Defence and the hon. member for Trinity and follow my notes very closely.

Mr. Lambert: They have not been published?

Mr. Winch: They have not been printed yet.

I doubt whether there will be any question that we need common sense instead of nonsense in national defence. In trying to present what I think is a policy of common sense in national defence I am arranging what I have to say so as to make a number of references to NORAD, to Bomarc and to NATO. Then, I hope to enlarge upon these three matters from the C.C.F. point of view and to conclude my remarks with a definite statement of 11 points of C.C.F. policy as far as national defence is concerned.

The C.C.F. insists that there is no defence against thermonuclear weapons; therefore we maintain that NORAD is useless and that Canada should immediately withdraw from this alliance. The Bomarc, even if it were armed with a nuclear warhead, could never possibly shoot down enough bombers to prevent annihilation in a single attack. We feel that it is madness to think that any aggressor, if it were to attack North America, would do less than send all its available bombers in the first attack. If this is correct, and we think it is, then the Bomarc, just like the Arrow is a total waste of money from beginning to end.

The C.C.F. considers that NATO's heavy reliance on nuclear weapons is suicidal for this reliance leaves NATO only two choices for dealing with any aggressive soviet move in the NATO area, and that is either death or defeat. It means death in a thermonuclear holocaust, and that would be bound to result from the slightest use of nuclear weapons in Europe. Or it could mean defeat in a conventional war, because it is our understanding it is only the soviets who are fully equipped for conventional war. The C.C.F., therefore, insists that Canada must urge upon NATO a fundamental replacement of the present nuclear strategy; the C.C.F. also insists that Canada must urge that NATO honestly strive to work toward disengagement and disarmament in Europe.

We strongly feel that we must work toward the creation of a buffer zone in Europe at the same time as we make a buffer zone of Canada. When we use the term "buffer" we do so in the sense of the dictionary definition. The concise Oxford dictionary defines "buffer" as a neutral state lying between two larger ones serving to render less possible hostilities between them. Of course, in speaking of Canada as a small state, I am speaking in the military sense as compared with the major powers.

I think I am safe in saying that the basic trouble with our Canadian national defence policy is that those who are responsible for it

cannot or will not understand one fundamental fact, namely that there is no defence against thermonuclear weapons and a war fought with such weapons would be suicidal. It therefore follows, in my opinion at least, that all defensive preparations for such a war are a waste of time, energy and money. Worse yet, such defensive preparations increase the ghastly possibilities of thermonuclear war by letting people think that defence is possible against thermonuclear war and that therefore a policy which could lead to thermonuclear war is not automatically idiotic. A national defence policy which includes the possibility of national suicide is a contradiction in terms.

It should be clear—we hope it is clear—that thermonuclear war would be national suicide since no amount of air defences, no amount of counterattacks, will prevent sufficient thermonuclear weapons getting through to destroy the nation. Therefore I insist and the C.C.F. insists that logic insists that the basic aim of our national defence policy must be to prevent war. This means that we must lend every support to any reasonable plan for total world disarmament. Neither the U.S.S.R. nor the United States will divest themselves of their nuclear weapons until all other means of making war have disappeared.

I should like at this time to divert from the basic principles I have been trying to outline in order to speak on certain aspects and I will return to the basic principles in a few minutes. I should like to spend a little time on what I might term the German question and Berlin. Some 15 years after the end of the second world war Germany is divided and no peace treaty has been signed. Very strong conventional Russian forces surround the city of Berlin, fully strong enough to blockade the city and prevent us doing anything about it unless we are prepared to engage in a thermonuclear war. Defeat or death appear to be the only two alternatives in Berlin if the Russians start something, so we say surely it is not impossible to work out an agreement that will reconcile the minimum aims of both sides. I admit, of course, that we will have to make concessions but so too will the Russians. After all, they would like to see all of Berlin fully integrated into communist East Germany and, of course, we will not let them have this and I think the Russians realize that they are not going to be allowed to have it. So I believe that we have got to try to get some sense into both sides. I admit that in saying that I am perhaps in the field of foreign policy but I do so because I think that we have to remember constantly the inter-relationship between foreign and defence policies.

[Mr. Winch.]

When we think of Berlin and the entire problem of Germany we have to consider Europe and when we consider Europe we have to consider NATO. I say that regardless of why massive soviet forces are in eastern Europe, as long as they are there then NATO must be powerfully supported by the western allies. However, I do feel that the present military situation in Europe is that the NATO forces are greatly outnumbered by the Russians in effective combat formations. The western policy appears to be to balance NATO's weakness in conventional forces by being ready to use so-called tactical nuclear weapons. This appears to be a carry-over from the early days of NATO when it had nuclear superiority. But the west has absolutely no grounds for assuming that NATO still has this superiority, and it has still less reason for thinking that a weak force armed with nuclear weapons is going to beat a large force armed with nuclear weapons. What is important is to be able to counter any soviet move, such as a blockade of Berlin, with conventional forces.

The idea of meeting any and all soviet aggressions in the NATO area with nuclear weapons is, I think, highly dangerous. The interests of both sides, the interests of all are too vitally involved in Europe for a nuclear war there to remain a limited nuclear war. That is why we feel that Canada must insist that NATO recast its strategy, its tactics and its organization so that its defensive forces are capable of meeting any soviet aggression with conventional weapons long enough to allow diplomacy to seek a settlement before, progressively, tactical nuclear weapons and thermonuclear weapons are brought into use.

So long as NATO both earnestly endeavours to reach an agreement with the Warsaw pact countries on disarmament and disengagement and also simultaneously begins revising its present suicidal nuclear strategy, then we in the C.C.F. say that Canada should remain in and support the NATO organization.

I would be failing my responsibility if I expressed a view on defence and weapons in Europe and then did not come right back home, so I should like to have a few words to say on the question of NORAD. Within our own borders there is much that we can do to lessen the suicidal possibility of thermonuclear war. With the continual refinement of the methods of delivery of thermonuclear weapons, the terrible danger of a pre-emptive attack by one massive power on the other becomes more and more prevalent. Indeed with each of the two major powers thinking in terms of a pre-emptive attack on the other such an attack almost becomes a certainty.

Surprise is essential for a successful pre-emptive attack else the annihilation will be mutual. Anything that Canada can do, therefore, to reduce the fear of either side of a surprise attack would be a step toward the prevention of war. That is why I fully associate myself with my colleague, the hon. members for Kootenay West, who called in this house about three weeks ago for the internationalization of the D.E.W. line, thereby making of Canada a true buffer between the U.S.S.R. and the United States. However, I thought it would be understood that the suggestion of the internationalization of Canada's radar warning lines would be a policy proposal for all radar warning lines throughout the world to be internationalized.

Since thermonuclear war between the United States and the U.S.S.R. could only be national suicide for Canada as well as for the United States, it follows that only deterrence makes sense. Actual defence against thermonuclear weapons is useless. As I see it, there is no point in shooting down 500 bombers if 500 others get through and thereby destroy us. The North American air defence command, NORAD, is therefore useless and I think we should withdraw from the alliance. The strategic air command needs time to get its squadrons airborne and the D.E.W. line furnishes this time, not the interceptors or anti-aircraft missiles of NORAD. The whole idea of protecting SAC bases, of shooting down Soviet bombers, stems from the notion of actually fighting a thermonuclear war which, according to my understanding, is not possible by any nation in the world unless it wants to commit suicide.

I feel strongly that the CF-105, the Arrow, was a waste of money from beginning to end and that the Bomarc is no better. I say that regardless of whether the Bomarc has a high explosive or nuclear warhead because if a war starts then it is almost bound to be a thermonuclear war leading to destruction. It could start if any nation or government is crazy enough to trigger a third world war in our generation. I think that the Liberals are right in what they have said today in opposing the Bomarc. However, we think they are entirely wrong to go on from there and advocate the replacement of the CF-100 with a supersonic plane. Either we can develop an adequate defence for Canada against thermonuclear attack or we cannot. If we cannot, and it is the firm belief of the C.C.F. that we, and every other nation, cannot, then it is useless to go on spending hundreds of millions of dollars on Canadian air defence.

Mr. Hellyer: You did not listen very carefully to what I said.

Mr. Winch: I listened very carefully to it, not only listened to it but I read it before you said it.

To have supersonic interceptors capable of identifying supersonic bombers would be nice, but would it be worth the hundreds of millions of dollars we would have to spend? I have my doubts that supersonic interceptors would deter supersonic bombers. If an aggressor were to decide on an all-out attack on this continent, and I cannot conceive of any aggressor making anything less than an all-out attack, enough bombers would undoubtedly get through even if we had the new and improved replacements.

Mutual deterrence alone unhappily, and I say unhappily, is still the only answer to a thermonuclear threat and in this Canada has no direct part. So we say, let us not continue fooling ourselves by talking continental air defence. It is time we cut our losses. It is time we got out of NORAD. It is time we devoted the money at present being wasted to trying to prevent war rather than continuing to prepare for suicide.

Then, of course, I come to the subject of the expenditure of money and that brings me to a reference to submarines. I have no hesitation in saying that I oppose the suggestion of the defence committee that Canada consider obtaining submarines. Submarines are weapons of all-out war and all preparations for actually fighting such a war just do not make sense in this day and age. If an all-out war were to break out how would one or 10 or 100 Canadian submarines save the nation? To do so, we would have to destroy every nuclear missile-firing submarine. We would have to do it within hours of war breaking out. I will admit that I cannot understand why there does appear to be so much deliberate propaganda from the U.S.S.R. and the U.S.A. building up to an eventual war. I do not think either country wants war. However, we have to consider it from that basis. Now then if we do consider it from that basis we come right back to the question I mentioned, submarines. If there has to be this continual propaganda fight, then if my understanding is correct that the war will be an all-out war, a thermonuclear war, how can Canada with a few submarines prevent an all-out attack or an all-out war on a thermonuclear basis?

I think we have to face the facts, harsh as they may be and I admit they are harsh. We have to stop this defence policy of wishful thinking and, therefore, I maintain, the useless expenditure of money. I cannot repeat too often that what we have to do is prepare for peace. We do not do that by entering into a policy of buying submarines. They neither defend nor do they deter.

I was rather surprised by the statement made by the Minister of National Defence yesterday, which can be found on page 7522 of *Hansard*. The minister is reported as having said:

> —the primary aim of our defence policy must be to prevent war, not to win a war but to prevent war, and thus the importance placed by the west on their deterrent power. In the past it has sometimes been politically desirable to avoid a war. Today nuclear weapons have created a situation in which the main if not the sole purpose of the armed forces is deterrence. To use our armed forces in action would mean, therefore, that the purpose for which we have kept them has failed.

Then, only a page later the minister said this:

> If the armed forces are not ready when war breaks out there will be no opportunity to recover.

Then just a few lines farther on he is reported as saying:

> These are, as I think the committee knows, first of all the provision of naval, air and ground forces for the defence of the Canada-United States region, in other words the North American continent;

If you put those remarks together, or if you try to, I think they conclusively prove that he does not understand what defence is all about in a thermonuclear age. I feel that he does not understand the fundamental difference between the defence of North America and defence of the NATO area. They are two entirely different things. The NATO area is contiguous to the soviet zone, and the whole range of military power is required in the NATO area, from an infantry platoon up to thermonuclear weapons, so that any soviet aggressive move may be deterred by the certainty of the appropriate NATO response. Therein, of course, lies the present danger in the NATO area, because NATO's weakness in conventional weapons forces it into two exclusive a reliance, I feel, on thermonuclear weapons. If they are ever used then I say, as the minister said, our defence policy has failed.

In North America I think the situation is different from that in NATO. It is ridiculous to think of any attack on North America as anything less than an all-out attack, and an all-out attack would automatically trigger the United States deterrent, that is the strategic air command. Therefore, in North America we do not need infantry platoons to balance or to deter anything from the U.S.S.R. What we need is what we have, that is the strategic air command and the means to alert the strategic air command, which we have, the D.E.W. line.

I feel the minister has been confusing defence and deterrence. Deterrence is a part of our defence policy, that is true, but defensive weapons are no deterrence against the only weapons which could ever conceivably be used in an attack on the North American continent, namely thermonuclear weapons. There is no defence, we have been told time after time, against such weapons. Therefore, I feel it is the failure to understand this point that leads the present government, and led the Liberals, to spend millions of dollars on Bomarcs, interceptors and anti-submarine weapons. There is no defence against H-bombers, ICBM's and nuclear missile-firing submarines. I feel that when the minister referred, as he did, to the provision of naval, air and ground forces for the defence of the Canada-United States region, he showed that he does not understand that the defence policy for the North American continent can only rest on one thing, and one thing alone, that is deterrence, until disarmament can be achieved.

I notice, Mr. Chairman, that my time is running short. At first sight it may appear strange to advocate that Canada be a buffer zone at home and yet support NATO abroad. The reason stems from what must be the basic aim of our defence policy: to prevent war.

I want to state and make it very clear that neither neutrality nor pacifism is necessarily commendable in itself. The fact of the matter simply is that by being a buffer in North America Canada can best prevent an all-out pre-emptive war between the United States and the Soviet union. On the other hand, were we simply to quit NATO without making the slightest attempt to modify NATO's strategy and organization, we would not have done all we could to prevent world-wide war breaking out there, a war in which we would surely suffer annihilation. But I want to make entirely clear that there can be no question, as far as the C.C.F. is concerned, of Canada retiring into isolationism. Rather we say we must move forward from outdated military alliances into the broadest internationalism.

We say we must quit wasting money on air defence, that is, defence against H-bombers, ICBM's and nuclear missile-firing submarines, for all such defence is obsolete. We say we must devote our energies instead to preventing war by really doing our best to bring about a complete and universal disarmament, and by working hard to reduce the underlying tensions in the world which are the cause of war.

In summary, Mr. Chairman, I would like to offer these main points as the basis for a new and sensible defence policy for Canada, a defence policy which fully takes account of the fact that thermonuclear war would be

suicidal and that the task of our armed forces is to prevent war and not to prepare for suicide:

1. Canada should immediately end the NORAD agreement.

2. Since air defence in the thermonuclear age is impossible, Canada should quit building Bomarc sites and should not replace the CF-100.

3. No nuclear weapons should be permitted on or over Canadian soil.

4. Foreign military aircraft of any kind shall not be permitted to use Canadian air bases or air space in any way involving espionage, or in a manner to cause international conflict or misunderstanding.

5. Canada should encourage the principle of all radar warning lines being internationalized.

6. Canada must aim at becoming a buffer between the Soviet union and the United States, thus lessening the necessity for each massive power thinking in terms of preemptive thermonuclear attack on the other.

7. Our armed forces must be completely unified.

8. Our armed forces should be reduced to those required for the radar warning lines, for training and administering our NATO forces, for basic civil defence military requirements in the event of thermonuclear attack, and for United Nations world police requirements.

9. The money thus saved, and I think considerable money could be saved, should be used for aiding underdeveloped nations in a manner that will demonstrate Canada's interest in those less blessed than ourselves and our desire to assist throughout the world the establishment of economic and parliamentary democracy.

10. Canada must urge on NATO a fundamental revision of its present nuclear strategy coupled with a reorganization of its forces so that any aggression with conventional weapons can be repulsed with conventional weapons.

11. Canada must urge on NATO a detailed study of plans for bilateral disarmament and disengagement in Europe so that a buffer zone is created there at the same time as we create a buffer zone of Canada.

Mr. Chairman, I timed that exactly right; I used up my 30 minutes. Those are some of our views on the question, and the most vital question, of national defence.

Some hon. Members: Hear, hear.

Mr. Sevigny: Mr. Chairman, after the clear and most logical exposé which you heard yesterday and today from the Minister of National Defence, it becomes quite evident that the efforts of those who belittle our defence policy are quite futile and in fact rather harmful to the cause of defence. It is quite obvious that the problem of defence is one which surpasses, because of its very scope and importance, the realm of political controversies. The very fact that the survival of the world which we know and of the civilization which we love depends on a sound defence policy is sufficient to make most people forget their political allegiances and to make them remember that their one and only allegiance should be first and foremost to Canada and the protection of its citizens. There is no one in this house, I am sure, who doubts the sincerity of the Minister of National Defence, a man who has, in the past, served his country with great distinction—

Some hon. Members: Hear, hear.

Mr. Sevigny: —and who continues to do so. Surely, Mr. Chairman, the past performance both in peacetime and in wartime of our service chiefs and of our other senior officers is a guarantee that these men have only one purpose, and that is to serve their country well; and one aim, which is the preservation of peace.

It has now been my privilege to act as Associate Minister of National Defence in this government for almost one full year. During this time I have learned a great deal and I am, of course, each day learning a bit more. I am proud to report today that I am most impressed by what I have seen and I do not hesitate to declare that the performance of our servicemen, whether they belong to the navy, the army or the air force, merits the applause of those citizens who are conversant and experienced in service matters.

Some hon. Members: Hear, hear.

Mr. Sevigny: During a recent visit which I made to Europe I was proud to hear that our Canadian brigade group now serving in the shield forces on the continent is considered to be the best force of its kind in the NATO forces. I was also told by many that the performance of our air force is second to none, and it is with a feeling of pride that I salute the gallant servicemen of Canada who spread our fame in foreign lands. Our servicemen have served with equal distinction in Canada, in the United States and also in the United Nations contingents.

My duties at national defence are rather of an administrative nature. It is with pleasure today that I render homage to all those men at defence headquarters who perform these duties with such devotion and such efficiency.

I wanted to read these few remarks, and in this way I have followed the examples of

those who preceded me. I will now, with your kind permission, shift to French. I will express a few comments on the speech which we have just heard from the hon. member for Trinity, and I will also pass a few comments on the remarks made by the hon. member for Vancouver East.

With these gentlemen's permission, and in fact since, with thanks to this government, we have simultaneous translation in this house, I shall continue my remarks in French.

(Translation):

Mr. Chairman, I would not like to be too sarcastic with regard to the hon. member for Trinity (Mr. Hellyer) who found himself in a rather embarrassing position this afternoon. On occasion, I myself have run into certain difficulties with those gentlemen of the press. I would not say that they purposely put me in a spot, but I know how annoying it can be to have a prospective speech published ahead of time or else to have some remarks which were actually made misconstrued by the gentlemen of the press. I understand the hon. member's confusion. I am sure that if I had been in his shoes, I would have felt as ill at ease as he does.

However, I am not criticizing his predicament—

Mr. Hellyer: No confusion.

Mr. Sevigny: —but rather the substance of his speech. It is rather strange to find that our hon. friends opposite have constantly stated, by all possible ways and means, that, according to them, this government had no defence policy whatsoever or, at least, that its defence policy was based on no definite principle.

Fortunately, and possibly because he realized after reading out some 42 pages of written material that he had not said much, the hon. member for Trinity contradicted himself somewhat a few moments ago by saying that he perfectly realized that this government had a defence policy and that it was only on minor matters that he did not agree with what is taking place at this time.

Nevertheless, it is rather surprising, Mr. Chairman, to find that, during many long hours, at the beginning of this session, the Leader of the Opposition (Mr. Pearson), as well as the hon. member for Trinity and some other hon. members in the opposition, loudly demanded a complete and total investigation on the question of a defence policy for Canada.

In order that there be no misunderstanding, the government asked the house for permission to form a committee whose duty it would be to consider government expenditures in the matter of defence. Of course, during the 26 committee meetings, many other matters were discussed apart from vital questions of defence for the purpose of which the committee had been established.

As a matter of fact, so many questions were discussed, so many questions were asked and so many answers were given to so many questions, that the Minister of National Defence (Mr. Pearkes) thought it appropriate to have a summary of those discussions published in a rather excellent pamphlet which has been distributed to all hon. members and which briefly outlines the defence policy of our government.

Hon. members in the opposition claim we have no defence policy. They have been chanting that rigmarole for almost a year. And today, in a 42-page speech, our friends of the opposition served us their so-called brilliant essay on defence. Now, we read therein that, among other things, they want to maintain the budget at the same level, and even increase it, and that, in spite of the fact that —to use their own terms—they would like to demolish everything, and, as they put it to "scrap" everything.

Such inconsistency seems to me rather odd. On the one hand, the hon. member for Trinity wants higher defence estimates and on the other hand, he wants everything shelved and nothing done.

We find some rather strange suggestions in that masterpiece. We see, for instance, that basing his speech on what he believes to be the enlightened policy of the hon. Leader of the Opposition, the hon. member for Trinity would not like any nuclear arms to be used on Canadian soil, nor carried in Canadian skies.

Mr. Chairman, to my mind there is some inconsistency in that attitude.

(Text):

Mr. Hellyer: Mr. Chairman, on a question of privilege, I am sure the minister would not wish to create a false impression, but assuming his translation is correct, I did not say that.

Mr. Sevigny: I will repeat it in English.

Mr. Hellyer: Would the minister mind using my speech, instead of referring to a newspaper report?

Mr. Ricard: The speech was published in the paper before it was delivered in the house.

(Translation):

Mr. Sevigny: Mr. Chairman, in order not to hurt the feelings of the hon. member for

Trinity whose sensitiveness, as I can well conceive, was bruised in more ways than one today, I shall merely repeat what he said and ask him whether he stated in his speech that he wanted no nuclear arms to be stocked in Canada. Is that not what the hon. member for Trinity said?

(Text):

Mr. Hellyer: I said that the cancellation of the SAGE-Bomarc program would eliminate the necessity of arming Canadian forces in Canada with nuclear weapons.

Mr. Sevigny: The hon. member is ahead of me.

Mr. Hellyer: The minister is thinking of the speech made by the hon. member for Vancouver East.

Mr. Sevigny: I am certain that I distinctly heard the hon. member say that he did not want any modern weapons equipped with nuclear warheads here in Canada.

(Translation):

In any case, Mr. Chairman, if I misunderstood or misread his words, I shall be pleased to withdraw what I said.

I merely should like to say this to the hon. member for Trinity, that it is nearly as illogical to state, on the one hand, that a defence system is absolutely necessary under present conditions and, on the other hand, to require that our troops be equipped with anything less than the most modern of weapons.

Mr. Chairman, what would we have thought in 1939 and during the war years which followed, if we had insisted that our troops, instead of using the modern weapons of the time, fight with muskets, foils or rapiers? It would have been quite abnormal. So is it even more illogical to require that we, in Canada, have an efficient defence system without making the necessary efforts to provide our troops with the best weapons that science can provide.

Again, Mr. Chairman, I say I would not like to hurt the feelings of my hon. friend. If I understood him well he suggested that we should eliminate, demolish or scrap the CF-104 which, according to him, does not fulfil an efficient role, and that its use here is even a contradiction, since, in Canada, we are carrying out a defensive policy and not an offensive one.

It seems to me, however, Mr. Chairman, that the efficiency of that aircraft has been adequately demonstrated.

This afternoon, the minister of defence reminded hon. members that this aircraft, precisely because it is efficient, is now used by German, Dutch and Belgian forces, and that it will be used shortly by Italian forces.

To say that this aircraft becomes an offensive weapon because it is designed to fulfil a striking and reconnaissance role, cannot be farther from the truth. If the hon. member for Trinity had taken the trouble of consulting his books or a few persons well versed in the matter, he would have soon learned that this aircraft will be used in case of aggression, in order to counter-attack any enemy offensive forces.

And I believe the hon. member for Trinity will admit the usefulness of reconnaissance aircraft in these modern times as in any other times.

I also consider with interest the argument put forward by the hon. member for Trinity, whereby he suggests we should abolish at once the SAGE line, as well as the Bomarc missile.

It seems to me that the doctrine of the hon. member for Trinity is still being somewhat inconsistent when he asks for such a thing.

Is it not a recognized fact that in spite of some hesitation, the Americans have decided not very long ago to vote additional sums for the Bomarc's development, fully realizing the need for that weapon at the present time, they increased those estimates by $75 million, if I am not mistaken?

This Bomarc B went through many successful tests, in spite of the hon. member's predictions and those of members of the opposition who repeatedly stated that the Bomarc B would never be effective.

It seems to me that it is about time the house and the members opposite were clearly told that it would be useless, merely for some political purpose, to scrap a weapon which, so far has cost our neighbours to the south the huge sum of over $2.3 billion.

There is something else which I feel should also be made fairly clear to our hon. friends. It is a fact that the Bomarc sites at La Macaza and North Bay will cost in the neighbourhood of $12 million to the Canadian treasury. It is also interesting to note that our mighty neighbours to the south will invest in Canada over $80 million, which surely cannot harm the Canadian economy, while supplying our country with a defensive weapon that we urgently need at this time.

Mr. Chairman, is it not true that the greatest strategists and those who are most experienced in military matters claim that it is absolutely necessary for us to have a triple radar and aircraft detecting system, in order to warn the North American continent of which we are part, of any possible attack? Those radar lines were built at terrific cost, and they are the very basis of the North American defence system. We want to co-operate in constantly improving those lines, and that is why we have agreed to co-operate fully with our friends to the south in the improvement of the Pinetree line. And now, our friends in the opposition would scrap the whole equipment of those lines, and scrap the Bomarc; further, advancing a new theory, they would also scrap the seven warships we are building to protect ourselves against submarine attacks.

In short, that new and supposedly brilliant policy of the Liberal party is bent on destroying everything, demolishing everything, abolishing the whole continental defence system, on the grounds that there is nothing to be done, there is no means of defence, but we will nevertheless maintain the budget at its present level and even increase it.

Mr. Chairman, I regret, but I cannot help smiling, and I think many Canadians will also smile on reading the speech of the hon. member for Trinity.

Mr. Chairman, I find that my time is getting on and, before closing my remarks, I should like to say a few words on the frequently discussed disarmament policy.

Of course, Mr. Chairman, every right-minded person, both in Canada and elsewhere, recognizes that the ideal solution is disarmament, and that, indeed, is the policy chosen by the government. God only knows how often the Secretary of State for External Affairs (Mr. Green) has repeated in this house that such was the purpose of the present government's policy, and he has tried to leave no doubt on the matter in the minds of the most sceptical listeners.

Now, Mr. Chairman, let us hope that some day, the world will finally realize that disarmament is the ideal formula and the only sure way of safeguarding our country. But we must remember that there was talk of disarmament at the time of Julius Caesar as well as at the time of the crusades. And Heaven knows—we must admit this—that poor mankind has not yet hit upon the ideal formula. Therefore, to protect ourselves against any attack, we must have the necessary weapons to convince the enemy that, if he attacks us, he does so at the risk of the most severe reprisals.

Mr. Chairman, our hon. friends of the opposition keep saying that no defence is possible, that it is impossible to protect ourselves against the nuclear weapons which might fall on us at any time.

In fact, I accept the theory that it is quite difficult, at this time, to present an efficient defence against intercontinental missiles which might come down on us one of these days—let us hope that this faraway day will never come but because there is a threat which is not yet indefinite enough, are we simply to ignore the real threat which exists today, that of a possible nuclear bombing by aircraft against which interceptors and Bomarc missiles can still provide a defence?

Do you really think that the Canadian nation would not be justified in protesting most vigorously if the government were to decide—as was suggested by the hon. member for Trinity and his colleagues—to scrap everything, but yet spend still more on defence? What a contradiction, Mr. Chairman. What a contradiction in that policy advocated by the hon. member who spoke just before me, and some others.

Quite to the contrary, I think that, instead of saying that all defence is impossible, thus giving an additional weapon to the enemy who would come to the conclusion that we are such defeatists that we do not want to arm ourselves, it would be more logical, as opposed to the proposals of the hon. members of the opposition and others who want to criticize the policy of the government, to remember that this policy is based on quite serious agreements entered into after thorough consideration, after all possible considerations had been weighed, after all the pros and cons had been gone into.

Mr. Chairman, as I said earlier, it seems to me that we should have confidence in men like the chiefs of staff and other distinguished citizens who today are leaders of Canada's defence. I believe that we should have enough sense to understand that these men have only one objective, that of assuring the protection of the Canadian citizens and preserving peace. But, Mr. Chairman, what a mistake it is to always say it is impossible to defend ourselves.

At this stage, Mr. Chairman, may I be allowed to illustrate the point?

During the tragic days before the war of 1939, people in England said that it was useless to try to protect themselves against enemy bombings, because those bombings would smash everything, and there would be no possible means of defence against the menace. Some ministers, some statesmen, then rose in protest and said: "No, it would be a folly to demolish and destroy everything," as is being advocated today. "On the contrary, our air force must be strengthened, our fighter plane production must be intensified, and in that way we will protect our country".

Now, Mr. Chairman, I ask you what would have happened to England, to mankind, and to all civilization, without the heroism of those men in the R.A.F. and in the R.C.A.F. who, in 1940, saved mankind and civilization in the British skies?

Mr. Chairman, I find that for someone who wanted to deal with administration, I have slightly strayed from my text.

(Text):

I notice that as one who wanted to make a speech on his various administrative duties I have strayed somewhat from my text. There is one consolation. I will not be accused of reading my speech. I will thus succeed in proving that once again the hon. member for Essex East, who accused us this afternoon of reading our speeches, is no more accurate in his comments on defence than when he comments, shall we say, on labour and on a few other things.

An hon. Member: What about agriculture?

Mr. Sevigny: Before I close my remarks, Mr. Chairman, may I simply say that Canadian citizens have every reason to be proud of the efforts of those whose duty lies in securing for our country the very best defence. May I emphasize the fact that this defence effort is conducted in the services in a spirit of mutual confidence and respect. Although the members of the services come from all parts of our 10 provinces and are of varying ethnic origins, differing from one another in language and religion, nevertheless they share the same ideas. They all share in the one aim, and that is our search for peace and security by assuring that Canada's part in NATO is well played.

In travelling across Canada and meeting literally thousands of members of our armed forces I have found one common quality, and that is the firm conviction of the justice of our cause. I can assure you that one and all realize the importance of their role. These men serve Canada well and they deserve the applause and the grateful thanks of all Canadians.

(Translation):

I shall close my remarks in my mother tongue by saying that this national unity we all seek, we find it in our armed forces. All together, whatever our origins, whatever our differences in language, religion and other things, we are serving our country: Canada.

Mr. Cardin: Mr. Chairman, before I read from the notes I carefully prepared on a matter as important as national defence, it is impossible for me to let the remarks of the Associate Minister of National Defence (Mr. Sevigny) go unchallenged.

The minister seemed to be shocked by the fact that the speech of the hon. member for Trinity was published in the papers before it was made in the house and, moreover, he seemed to think that it is the first time such a thing has ever happened. I take the liberty of reminding him that on many occasions, speeches of hon. members and even of ministers on the other side of the house have been published in the papers before being delivered. But there was a difference, and that was the fact that we Liberals were never small enough to raise such a fuss, as the Conservatives are apparently trying to do in this case, with respect to a situation for which the hon. member for Trinity was not responsible.

Mr. Sevigny: Mr. Chairman, I rise on a question of privilege. The hon. member for Richelieu-Vercheres (Mr. Cardin) said I was shocked at the incident which occurred this afternoon. I would ask the hon. member to look up *Hansard* tomorrow morning; he will find that far from being shocked, I displayed sympathy for the hon. member for Trinity, who found himself in an embarrassing position. I say this, Mr. Chairman, to show that it is quite important, before making certain remarks, to listen to what has been said.

Mr. Cardin: Mr. Chairman, I think there is no question of privilege in the point raised by the Associate Minister of National Defence. I might read *Hansard* tomorrow morning, but I am convinced that I would realize that the friendly remarks which the hon. minister says he made were tinged with cynicism; in that respect, I shall remind him that, when the same trouble happened to the Conservatives, we never were so petty as to make a fuss about it.

Mr. Ricard: When did it happen? Give us some instance.

Mr. Cardin: In his remarks, the Associate Minister for National Defence implied that during discussions in the special committee, which was responsible for looking into the expenses of the Department of National Defence, hon. members in the opposition were free to ask all questions they wanted. I agree with the minister. It is true that we had the right to ask questions. But what we did not receive, on the other hand, were the answers to those questions. And that is what we are complaining about today, that is, we had no indication whatsoever of what could be the government policy with regard to national defence. I think it is quite easy to conclude that there was no way of knowing it because the government has no such policy.

I would also remind the minister that Canada's national defence cannot be assured only on the basis of the amount of money spent on certain things. Things change so quickly that what was spent yesterday is not necessarily an indication of what should be spent tomorrow. The minister says that the member for Trinity suggested we should destroy what has been built. He forgets one thing, namely that the member for Trinity has put forward specific suggestions to provide Canada with adequate means of defence, taking into account the circumstances and the present world situation. And I would point out to the house that to ensure Canada's security, we will need much more than the emotional outpouring we have just heard from the minister.

(Text):

Although there would be ample justification for doing so, Mr. Chairman, I do not intend to take up the time of the committee in attacking the government for its painful lack of an appropriate defence policy. In spite of assurances to the contrary given by the Minister of National Defence last night, to anyone who has followed the speeches in the House of Commons and particularly the proceedings of the special committee on defence expenditures it is abundantly clear that there exists an alarming confusion and, indeed, contradiction in the minds of members of the government on national defence as well as on the closely related subject of international affairs.

I strongly suspect that the underlying cause of Canada's lack of an appropriate defence policy is the government's very partisan but utterly false sense of economy. Certainly it is a desirable goal to balance the budget but military personnel and Canadians generally have reasons to be anxious and worried when the government contemplates balancing the budget at the expense of our national security at a time that can certainly be considered as one of the most critical times in our history as well as in the history of the world.

It is convenient, of course, but transparently superficial for the government to justify its inaction on the erroneous assumption that there is no alternative to the tremendously high cost of nuclear war and that there is no adequate defence against nuclear attack. Although it is generally agreed in Canada that even if the cost were not prohibitive it would not be desirable for Canada to engage in the production of nuclear arms and though there is serious doubt as to the possibility of providing an adequate defence against nuclear attack, it does not necessarily follow that there is no other alternative and it is certainly no justification for letting a confused, bewildered and unprotected Canada drift into a situation which could possibly mean national suicide.

If, because of the appalling destructive power of nuclear war, recognized by friend and foe alike as capable of destroying the civilization of the world, it is admitted there can be no victors and no vanquished but just death and destruction, is it so inconceivable to believe that there must be some other less insane alternative? I for one cannot bring myself to believe that there is no alternative. If, indeed, we are to spare the world from impending destruction and avoid at the same time a complete surrender of our philosophical and political ideologies, our way of life and the things in which we believe, then Canada and the rest of the world must stop rationalizing and find or create an effective alternative to nuclear war.

No one, I am sure, will question that an adequate defence policy in present world conditions, as indeed, our foreign policy—I think the minister mentioned this last night—must be based first and foremost on the true and vital interests of our own country, but it would be unwise as well as ungrateful if, in the formulation of our defence policy, we did not give ample consideration to the geographic, economic and political ties as well as the common defence problems that link us to our powerful neighbour and ally to the south, the United States. We certainly should and must always take into account the strong and friendly bonds that make us a part of the family of the commonwealth of nations. Then, of course, there is our participation in and our commitments

to NATO as well as our membership in and our hopes for the United Nations, which cannot but orient our national defence policies. However, the first responsibility of national defence is, of course, our own national security.

The fact that nuclear war is not the answer to international conflicts or problems and that neither the United States nor the U.S.S.R. would willingly resort to it does not, unfortunately, eliminate the possibility of a nuclear war. In the face of the possible danger of a nuclear war one of the greatest and most pressing responsibilities of the government is to ensure the security and, indeed, the survival of our nation in the event of such a war. Surely there should be no hesitation in giving the very top priority to this fundamental responsibility, and yet there have been only very feeble, hesitant and almost apologetic measures taken by the government in the field of civil defence. Surely Canadians have a right to expect and, indeed, should have strong and courageous leadership where our national survival is concerned.

Although helpful, it is not sufficient for the government to train its militia for nuclear defence. It is not sufficient for the government to stockpile food and medical supplies in strategic areas and issue brochures describing the build it yourself shelter. It is not adequate protection to have warning systems against bomb bursts and fall-out when there is really no place for the population to go for shelter. These are more of the half measures that are characteristic of the government, adopted to ward off criticism but not intended to solve and incapable of solving the problem, in this case the safety and survival of Canadians.

It is the responsibility of the federal government, along with the provincial and municipal authorities, to give the population a realistic appraisal of the dangers and consequences of a nuclear war and then together work out the most practicable means to assure Canada's national survival. I realize that the cost of building underground shelters in all the densely settled areas would be prohibitive, but surely the government could at least invite the provincial and municipal authorities as well as members of chambers of commerce, architects and contractors engaged in the construction of public projects to see whether existing construction could not be refitted in order to provide some shelter against radiation and bomb bursts.

I am thinking of such construction as the subway in Toronto and even the metropolitan boulevard in Montreal, parts of which could possibly be adapted as effective shelters and, incidentally, would give much needed employment. The government could also encourage financially those concerned in the planning and construction of large public buildings so that they would build the foundation and the accommodation at subterranean levels in such a way that they could be used as underground shelters as well as for their original purposes. Some study might also be given to the underground shelters built in Sweden which also serve other purposes as well. One example I could give would be the underground garages and underground parking places which would be very convenient at this time. These projects would also provide work.

Nor would it be enough to stockpile provisions and medical supplies in these shelters for the period of attack and fallout, but very serious consideration should be given now to the problems to be faced after the attack and the appropriate rehabilitation program should be conceived to help the population meet these problems. It is not, of course, agreeable to speak of such a catastrophe, but we would be less than honest if we did not speak of these possibilities and we would be shirking our fundamental responsibilities as parliamentarians if we failed to force the government to take the steps necessary to provide this measure of security for our population in the event of a nuclear war. However, once we have taken all the possible precautions to ensure our national survival I believe that we should forget all about nuclear war and concentrate our attention on finding an alternative to it.

Recently I suggested in the house that Canada should invite all countries except the United States and the U.S.S.R. to a consultative meeting to be held in Ottawa. My suggestion, because of the number of countries involved, was considered to be difficult and unwieldy. I agree that not only would it be impracticable but indeed impossible if those countries met to decide on specific issues such as the United Nations is called upon to do. But I cannot help but feel that it would not be impossible to come to some agreement among these nations on very broad, general but important basic principles.

One of these principles on which I believe agreement could be reached would be the renunciation by those nations of the manufacture and possession of all nuclear weapons, whether it be a 10-megaton bomb or a nuclear rifle bullet. If poison gas and biological warfare, because of their inhumanity, were not used in the last war, surely the same reasons could apply even more forcibly to the use of nuclear weapons.

It is impossible to turn back the clock at the present time and destroy the stockpile of

existing nuclear arms. Surely it should not be impossible to stop them from mushrooming throughout the world and greatly increasing the risk of total destruction. I believe, however, it would be unrealistic, and even unwise, to ask these nations to ban the use of nuclear power for peaceful purposes. Perhaps some agreement might be reached along the lines of the suggestion made by the Leader of the Opposition that experimental nuclear explosions for commercial and industrial use be carried out under the supervision of an appointed body of the United Nations.

I cannot help but feel that even the attempt to arrive at such agreements might have some value in achieving greater world stability. There are, of course, many other general principles of fundamental importance on which there might be some hope of reaching agreement. But the undeniable and real value of such a meeting of nations would be, to my mind, the tangible proof to the newer nations of the world, particularly the nations of Africa and Asia, that we earnestly and sincerely desire peace. It would permit us, as a democratic nation not having the tremendous economic and military predominance and the corresponding responsibility of a world power, to prove that we recognize them as nations who have a right to their culture, their philosophies and their way of life; to convince them that we are not seeking to conquer, exploit or hinder them in their march toward nationalism; to convince them that we realize that, in spite of differences that may exist, they have many interests and many problems that are similar to our own and these can best be solved by reasoned understanding and mutual help.

Last week Prime Minister Lumumba of the Congo stated that because Canada was not a colonial power, because she had no interests in Africa, she would understand and help the new republic by sending badly needed doctors, nurses, teachers and technicians. Prime Minister Lumumba was of course speaking for the Congo, but he reflected very accurately the confidence and the trust which many new nations of Africa and Asia have placed in Canada in these troubled times. It would be a very tragic mistake for democracy, indeed for world peace, if Canada failed that very special and very important trust.

Out of a meeting of nations with no international ambitions there might come a far better understanding of what our democratic principles really mean in terms of international relationships. The display of a truly democratic attitude at this time would, I believe, come as a refreshing breeze not only to the nations of Africa and Asia but to nations such as Poland, Hungary, Bulgaria and Rumania, as well as the others who have for many years now struggled in the stifling climate of communist imperialism. It would not be difficult for Canada to point to very many instances when we have shown by our actions, through the Colombo plan and the United Nations, our profound belief that mutual understanding and help is a far more sensible and practical approach to sound international relationship than is the continued threat of mutual destruction.

Though this meeting of nations might help to promote better understanding, and perhaps greater trust among nations, it would not of itself provide the alternative to a nuclear war nor, unfortunately under the present world tensions, would it eliminate completely the possibility of war of any type. I do not think anyone will disagree with me when I say that armaments and an arms race which leads to war is a result and not the primary cause of international strife and conflict.

Many will be ready to accept the corollary that a trustworthy disarmament program can best be realized when the international problem has been solved and then disarmament takes place naturally and almost automatically. But are we ready to accept that so long as the basic cause of the present international conflict exists disarmament is most unlikely and perhaps not the best policy for the west to follow, unless there is some justification for believing that adequate control and inspection provisions are possible.

Does the recently planned sabotage by the U.S.S.R. of the disarmament meeting, after 15 years of frustrated hopes in this field, not indicate the western powers' only alternative? Effective negotiations between two nations have often been more easily arrived at on the basis of equal military strength, and wars have been avoided, at least for a period of time, because of balanced strength. The danger lies when one negotiator with aggressive intentions knows his enemy to be militarily weaker and then of course there is no end to his arrogance and to his demands, and war will ensue as it did in 1939. I cannot help but feel that the growing arrogance of the U.S.S.R. indicates that she is conscious of her massive military power, if not supremacy, particularly in the field of conventional weapons and missiles.

The possession and the explosion of the first atomic bomb in 1945, which promptly ended the war, unfortunately gave the western nations a false sense of security. At that time the U.S. alone had the weapon that

would end all wars and western powers already considered conventional arms as obsolete and useless. Shortly after 1945 demobilization and disarmament took place in the western world, including Canada. Usable ships, planes, tanks and other military equipment, built in panic and at great cost, were scrapped. But not the U.S.S.R. In spite of the disarmament talks held at the U.N. the U.S.S.R. did not disarm, but added captured German and Japanese weapons and military and industrial equipment to her own and continued to build up her strength in conventional weapons, as indeed she is still doing today. In 1949 an atomic explosion in the U.S.S.R. indicated to the world that the United States was no longer alone to possess the dreadful weapon. That of course was the signal for the nuclear arms race between the U.S. and the U.S.S.R. and since then the west has measured everything in terms of a nuclear war.

Conventional arms are spoken of in almost apologetic terms in the west and indeed are being neglected as all eyes are turned to the more formidable weapons. But the U.S.S.R., while keeping pace with the United States in the nuclear field, has not only maintained but strengthened her conventional forces, if not in number, certainly in power. I am given to understand that the U.S.S.R. and her satellites have a standing army of 175 divisions and can double this number within six weeks, completely equipped, while the western armies at the present time could muster a maximum of 148 divisions, and NATO conventional ground forces now number approximately 24 active divisions. The communists have 20,000 fighting aircraft, as compared to 3,685 NATO aircraft. The Russians now count some 400 submarines in her naval forces.

I need not press this point further, Mr. Chairman, but I think it is sufficient to appreciate the importance the U.S.S.R. has given and continues to give to conventional arms and it is because of these conventional arms that she is indeed in a far better position than the west to negotiate from strength both nuclear and conventional.

The western powers by concentrating mostly on the deterrent aspect of nuclear power may have failed to appreciate the necessity of retaining strong conventional forces with the unfortunate result that it is the western powers who have no other choice but to resort to atomic weapons. As a matter of fact the western powers have agreed, or are considering agreeing, to bolster NATO conventional forces with nuclear power in an atempt to restore the equilibrium between the two opposing forces in Europe. I cannot help but feel that by equipping NATO forces with nuclear weapons at the expense of conventional forces, not only would we increase the potential danger of nuclear war but we would be destroying the only possible, though admittedly unsatisfactory, alternative to nuclear war, that is the use of conventional arms.

If nuclear power can be considered as an effective deterrent to a nuclear war, by the same token equality of strength of conventional weapons may in certain circumstances also act as a deterrent to war. But under present circumstances equality in nuclear power without equality in conventional power will lead to either a nuclear war or to complete surrender of our political ideologies and our way of life.

Would the western powers resort to nuclear weapons in reprisal of a communist aggression with conventional arms, knowing that the U.S.S.R. has and would not hesitate to use its formidable nuclear retaliation? Before the western powers are forced to answer that question would it not be wiser for NATO countries and for the western powers generally to concentrate on increasing their conventional military strength to counterbalance that of the U.S.S.R., leaving the nuclear power in the hands of the United States and the U.S.S.R. alone? The western powers would then be in a far stronger and less vulnerable position from which to negotiate; they would be inferior in neither nuclear nor conventional power and would not have to rely so heavily on fatal nuclear weapons.

Some agreement, I think, might be reached among members of NATO not to build or possess nuclear weapons of any type in their own countries and to equip NATO forces with modern but conventional arms alone and keep this conventional force completely distinct and separate from whatever nuclear bases and installations exist in NATO.

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Some hon. Members: Go ahead.

The Chairman: Does the committee consent to the hon. member continuing his remarks?

Some hon. Members: Agreed.

Mr. Cardin: I thank the committee, Mr. Chairman, for their indulgence, and I will only be a few minutes more.

It was gratifying to me to read that the three Bundestag representatives who visited the House of Commons last week stated that West Germany would not manufacture or possess nuclear weapons. I cannot help but believe that the greatest example yet of their universally recognized diplomatic acumen and foresight would be for Great Britain and France, in an effort to stop the spread of

nuclear arms, to follow the example of West Germany or at least to pool all their nuclear weapons under a unified western control.

I believe that all nuclear bases, whether in Europe, Canada or elsewhere, should be under a unified control similar to but not necessarily the military committee of NATO. It would be far more easy psychologically and financially for the NATO members to live up to and increase their conventional military commitments to that organization. Understandable hesitation has existed in many nations in the spending of money for the construction of conventional arms in the face of the devastating power of nuclear weapons. But because there is really nothing to be gained from a nuclear war even the U.S.S.R. might consider reserving for herself the control of nuclear weapons, and if nuclear weapons could be kept from spreading to all nations, western and satellite countries alike, and effectively counterbalanced where they do exist, then the urgent necessity of the western powers to achieve equality of conventional forces with the U.S.S.R. can be easily appreciated. However, I think we know what to expect if the manufacture, possession and control of nuclear weapons spreads among the western nations.

After taking all necessary precautions to assure Canada's national survival in the event of nuclear war our defence policy, to my mind, should be oriented in such a way that it would have nothing whatsoever to do with nuclear armament of any type. Whatever nuclear bases might exist in Canada as part of our common NATO defence system should be considered exactly and controlled exactly as would be other similar nuclear bases in Europe and elsewhere by one nuclear power control centre.

Canada's effort should be turned, to my mind, toward suggestions such as were made by the hon. member for Trinity and toward suggestions made in the special committee on defence expenditures aimed at rebuilding our navy, army and air force into as effective defence forces as possible, with due consideration being given to the requirements of modern warfare. Great stress, I believe, should be placed in the mobility of our forces, and adequate air and sea transportation should be provided. I also believe that submarines should be part of our active defence forces, and I would sincerely hope that they could be built in our own country.

In spite of the difficulties mentioned by the minister last night of achieving an obligatory standardization of NATO military equipment, I believe that Canada should concentrate its efforts in trying to set up the machinery necessary not only to standardize equipment of NATO forces but also to allocate to the different member nations, according to their strategic situation and capability, the construction of the military equipment required on a defence production sharing basis.

Because of the continuous eruption of military crises in the four corners of the globe, military concentration in Europe is no longer sufficient and adequate military strength in all the commonwealth nations whose territories stretch around the world should be encouraged by means of a co-ordinated defence program based on mutual help and defence sharing plans, with great stress being placed again on the mobility of these forces.

Canada, with greater combined conventional strength and not burdened with the cost and responsibility of nuclear power, might also be in a better position to co-ordinate her conventional defence arrangements with that of the United States and be of greater assistance in the carrying out of experimental and research work in the conventional arms field.

I am, of course, making these most incomplete suggestions as a private member of the house and with a thorough appreciation that I am no expert in the field, but surely recent events in international affairs make it imperative that some action be taken by the government. It is intolerable to realize that the evident indecision and hesitation of the government in the field of national defence has resulted in a progressive abdication of its paramount responsibility of assuring our national survival and indeed has placed Canada in a position of shameful reliance on the United States for our defence. Canada surely deserves better than that. It is only when the government has assured Canada of its national security in the event of a nuclear war and has seriously examined and taken all the possible means of finding an alternative to world suicide that the government will have respected its most fundamental responsibility to the Canadian people, and that, we submit, the government has not done.

Mr. Chambers: Mr. Chairman, I had intended to rise this evening to express a few thoughts on the defence policy of the Liberal party, but having heard the hon. member for Trinity earlier today and having heard the hon. member for Richelieu-Vercheres a few moments ago, I find that I am faced with the task of commenting on two pretty totally different policies.

If while they are fresh in my mind I could make a few comments on the remarks of the hon. member for Richelieu-Vercheres, I would start by pointing out that he spent a good deal

of time calling upon the government to undertake its responsibilities in regard to disarmament, to take every step toward achieving nuclear disarmament, and in general—

Mr. Cardin: Mr. Chairman, on a question of privilege, I am sure the hon. member does not want to misquote me, but the question of disarmament never even arose in my mind. I believe at this time it is impossible even to consider disarmament.

Mr. Chambers: Nuclear disarmament.

Mr. Cardin: Even nuclear.

Mr. Chambers: Then I must have misunderstood the hon. member.

Mr. Cardin: If the hon. member will read my speech tomorrow I think he will realize that.

Mr. Chambers: I apologize to the hon. member if I have misquoted him, but he certainly urged us to be active in diplomatic negotiations for peace. Is that right?

Mr. Cardin: Yes, of course.

Mr. Chambers: Then my comment on that would be that I do not think there is a government in the western world today which has taken more initiative in this regard than the Canadian government during the last few years. The backbone of our policy in this regard is the avoidance of war, and the first line, you might say, of the implementation of that policy is the seeking through every available international means to bring about a settlement of the difficulties which might lead to war.

I think the Prime Minister, the Secretary of State for External Affairs and other members of the government have no cause to be ashamed at all of their activities in this regard. In fact I think it is commonly thought throughout Canada by people who support all parties that the record of the government in this regard is outstanding.

There were a couple of other items, and one of them was the question of what went on in the defence expenditures committee. The hon. member said that while questions were asked no replies were given. I missed one of the 27 or 28 meetings of that committee and the record is available for members of this house. I do not suppose there has ever been a more complete exposition of the policy of a department of government than that given by the Minister of National Defence before that committee. Every question about policy, about detail, about equipment was answered.

The other point I would mention in regard to the remarks of the hon. member for Richelieu-Vercheres has to do with his advocacy of the build-up, or at any rate the maintenance, of conventional forces. Here I find him somewhat in disagreement with the hon. member for Trinity, who advocated scrapping all sorts of forces which could be called conventional, such as our anti-submarine ships and so on.

Perhaps I could take a few minutes to comment on the remarks made earlier today by the hon. member for Trinity. It was a very remarkable speech in several respects. It arrived with a good deal of advance publicity; in fact, perhaps more advanced publicity than the hon. member would have wished. It was a long time in preparation. As far back as January before this house met this year we read in the newspapers and heard from speeches of members of the opposition that there was to be at their instigation a great debate on defence. They were going to come before this house and before the people of Canada and expose the inadequacies of the government's policies, and at the same time, as I understood it, they were going to tell us what we should do; the things which we were doing which we should not do, and the things that we were not doing that we should do.

Well, Mr. Chairman, we waited. We waited through a number of supply motions and other opportunities. We waited anxiously, and now late in the session when the estimates have come back from committee we find what their policy is. The much-advertised new approaches are nowhere to be found. In fact, if anything, the policy enunciated by the hon. member for Trinity today was a complete endorsement of the details of the policy of this government. The only changes recommended were not changes of policy but changes of hardware; this weapon should be done away with and another substituted for it; that ship should not be built but a different kind of ship. Nowhere do we find a difference in basic defence policy.

Let me refer to the hon. member's closing remarks. He defined the Liberal policy as being designed to meet the following conditions; first, to spend those funds set aside for national defence effectively and wisely. I submit that this is exactly what the government is doing to a degree never realized by the previous government in this country.

Second, the hon. member said we should contribute to our collective alliances those components which continue to be useful. That is exactly what this government has done. In consultation with our allies, having in mind the capacities of Canada, we are contributing the most effective forces to the collective strength of the west that it is possible to do.

Third, the hon. gentleman said we should build forces flexible enough to respond to virtually any United Nations request for assistance; forces in being, fully equipped, fully mobile and transportable by air or sea; forces capable of effectively participating in any brush fire or conventional encounter before it gets out of hand with the possibility of triggering a wider conflagration.

The United Nations came into being at the end of the second world war but it remained for the present Minister of National Defence to announce in 1958 that Canada was maintaning a force at the disposal of the United Nations. This force, trained, equipped and ready to go anywhere at the call of the United Nations was the brainchild and creation of the present Minister of National Defence and I think we should be grateful to the hon. member for Trinity for endorsing the actions of the government in this respect.

The hon. member's fourth point was that we should build forces which would be useful as part of a world police force in the event a disarmament agreement should be reached. The force I have just mentioned and indeed practically all of Canada's forces are ideally suited to such a police force.

As a fifth suggestion the hon. member said we should contribute to research to the end that the western world would forge ahead in scientific development keeping in mind also the economic by-products which might accrue. Here again the hon. member advocates exactly what the government is already doing.

The hon. gentleman's sixth point was to provide the maximum protection possible to the Canadian population in the event of irrational attack. The policy the government is following would accomplish this end but the moves advocated by the hon. member would drastically reduce our capacity to defend the people of Canada.

The hon. member's seventh recommendation is so much of a platitude that I hesitate to repeat it. He suggested that we are to promote an even more effective Canadian contribution to the preservation of world peace. Is there any party, indeed is there any Canadian, who does not subscribe to this, does not strive toward it?

At the beginning of his remarks the hon. member announced that he supports the principles of deterrence and of collective arrangements and he said that we cannot pursue a policy inconsistent with the common goals of our allies. He then proceeded to advocate a number of steps that would be completely inconsistent with the co-operation that our allies have asked us to give.

[Mr. Hodgson.]

Let me first consider what he had to say on the subject of NORAD. He said that the NORAD agreement did not materially affect the situation except as to improvements in communications, reaction time and control. Mr. Chairman, in these days of supersonic aircraft and the missile, what could be more important than an improvement in control, reaction time and communications? If we rely on the deterrent effect of retaliation, reaction time must be as close to immediate as possible and to effect any defence at all, control must be instantaneous. When there were some failures in the Bomarc tests the hon. gentleman said that it was no good and that it would never work.

Mr. Hellyer: It still is not.

Mr. Chambers: Now that the tests are successful and it is working the hon. gentleman says that notwithstanding the fact it is good we should still get rid of it. That is what I understood the hon. member to say.

Mr. Hellyer: Do not let it ever be said that I endorsed the use of the Bomarc under any circumstances.

Mr. Chambers: That is exactly what I said. Notwithstanding the fact that it is a good weapon the hon. gentleman does not want us to use it.

Mr. Hellyer: Too little and too late.

Mr. Chambers: We are partners in the defence of North America. You have only to look at a map of this continent to know that it is impossible to defend either Canada or the United States independently. That is why NORAD was set up. There is a commander of NORAD responsible to the governments of both Canada and the United States. Let us examine his views on the Bomarc. The hon. member for Trinity in his remarks said that all the military experts had condemned this weapon. Let me quote from the testimony of General White, chief of the United States air force before the senate committee on appropriations. He said:

> In case there is any doubt, the commander in chief of NORAD is completely satisfied that the nine squadron Bomarc B forces should stay in as recommended. In fact, NORAD wanted the complete program instead of the drastically curtailed one which he recommended for this committee at the time.

Where are the best military scientists of the day which the hon. member says are opposed to Bomarc?

Mr. Hellyer: That was a little internal politics. I will quote the others tomorrow.

Mr. Chambers: I am prepared to admit that there was some testimony on both sides of the Bomarc question but proof of the pudding, surely, is that the United States air force recommended, the United States congress voted and the United States president approved of the Bomarc program for this continent.

One of the reasons why the hon. member advocates the scrapping of the Bomarc is because it is capable of carrying an atomic warhead. It is one thing to say that we should have no offensive nuclear capacity; it is quite another to say that if an enemy should attack us with nuclear weapons we should not be allowed to use those same weapons to defend ourselves. The Bomarc is a defensive weapon. It has no offensive capacity whatsoever. Situated as it will be in a relatively northern part of Canada it could not possibly menace any other nation. What the hon. member advocates and what he is still saying is that we should not only renounce the sword but that we should also throw away our armour against the swords of others.

The hon. member also had something to say about control. The Prime Minister has been very clear on this subject. United States law imposes certain restrictions on the use of United States owned weapons. It has been clearly stated in this house, however, that if it is decided to acquire nuclear weapons Canada shall have its own measure of control.

Mr. Hellyer: Would the hon. member explain that?

Mr. Chambers: I think it has been clearly explained to the hon. member four or five times in committee.

Mr. Hellyer: To your satisfaction.

Mr. Chambers: There is a very interesting point in the hon. member's idea. Not only does he say that we should scrap the Bomarc but that we should scrap SAGE. In the next breath he says we should acquire F-101 interceptors to be used for identification and possibly for interception. This shows a complete failure to understand the principles of air defence. How will the F-101's that he proposes to acquire find their targets if they are not directed by some such system as SAGE? A SAGE controlled system is intended not only for Bomarc but for whatever interceptors may be in the area and, having in mind the speed at which an attack might come and the speed that the interceptors and the anti-aircraft missiles are capable of, it is absolutely essential, if any effective defence is to be put up at all, that some kind of automatic radar control such as SAGE be used.

When we come to the navy we are told that the greatest threat is that of the submarine; and then we are told that we should abandon our submarine defences. Our destroyer escorts, which are admitted to be the most modern and efficient to be built in the world today and which have been vastly improved in their capabilities in recent years, are to be replaced by something called combat troop carriers and supply ships; this notwithstanding the fact that it has been estimated that the Soviets have from 400 to 500 conventional submarines in their present inventory. How the combat troop carriers would operate in the face of this force we have not been told.

When we come to our forces in NATO we are told that the brigade must be given the most modern weapons and at the same time that we should abandon the CF-104, which will immeasurably strengthen and modernize our air force in Europe. Apart from the inconsistency of this attitude, I should like to point out that all the independent observers, soldiers from other nations, have without exception said that our NATO brigade is among the most efficient and best armed in the forces of the west. Today this brigade does not have a single weapon left over from world war II, and its equipment is being constantly improved. Improvements of the fire power include 106 millimetre anti-tank recoilless rifles; 81 millimetre mortars; 50 calibre medium machine guns; 30 calibre medium machine guns; and on order at the present time in the communications line are C-42 improved wireless sets.

Furthermore, as the minister pointed out in the committee, the brigade is today completely motorized. Some of the things that were advocated by the hon. member are certainly desirable. He said that the brigade should have an amphibious and an airborne capacity. It has not been the practice in any army, I do not believe; it has never been found efficient to provide amphibious vehicles or aircraft for troop carrying on a brigade level. These kinds of things are, however, in the program and the obvious and efficient method by which to provide them is to provide them on the division, corps or army level.

Mr. Hellyer: You have not got that.

Mr. Chambers: We are today co-operating with other forces in NATO in Europe, and troop carrying capacity and amphibious capacity are included in the NATO corps.

Another thing that I did not mention was the up-gunning of the Centurion tank. I do not think this committee should be misled into believing that there has not been a constant, continuous and intensive effort to

keep the Canadian brigade in Europe at the highest possible standard of training and weapons.

One of the criticisms that the hon. member made about the CF-104 program is that its bases will be vulnerable to enemy attack. Here again we have a conspicuous lack of knowledge. The Bomarc must be abandoned because its bases are vulnerable, and it must be replaced by an interceptor, but in Europe our aircraft must be abandoned because aircraft bases are vulnerable. Incidentally, the CF-104 is to be replaced, in the hon. member's view, by some other aircraft whose bases presumably would be invunelrable to any attack. The hon. member has overlooked the fact that redeployment bases will, of course be available to the CF-104.

I should like now to proceed to the last item that time permits me to discuss, namely the question of survival or civil defence. The hon. member dealt with this at some length, as did the hon. member for Richelieu-Vercheres. Both hon. members make quite a point of emphasizing that today civil defence is possible, and say that the government should do more in this regard, and yet I should like to point out that it was only since this government came into office that any serious consideration in organizing civil defence was undertaken. The information that such a program was required has been available for some years, well before the election of 1957. When the Soviets first exploded their atomic weapons we on this continent knew that we were vulnerable to attack and that we should then have undertaken a serious study of civil defence.

Mr. Hellyer: This is patent nonsense. For a while you were a little interesting, at least.

Mr. Chambers: There were some small measures of co-ordination taken with the provinces but no responsibility was accepted by the federal government in those days. It remained for the present Minister of National Defence to give to the Canadian army in Canada the obvious role in this regard. Today our capacity to survive under nuclear attack is immeasurably greater than it was two years ago, and from day to day more equipment is being added, more training is being given to both our regular and our militia forces in this regard. The advocacy of civil defence by the hon. member for Trinity comes about three years too late.

May I say in closing that the program announced today by the hon. member for Trinity was one of the best expressed arguments in support of the policies of this government that I have yet heard. He has advocated no single change in policy; he has quarrelled, if I may say so, with a good deal of false logic with some of the hardware, but it is interesting to note that it was not until the present Minister of National Defence took office that Canada started to develop a defence policy in keeping with the requirements of the terrible age in which we live, and it was not until the present Minister of National Defence enunciated this policy that the Liberal party found it necessary to give any attention to these problems at all. So that today they have unveiled their ideas, identical in principle with those of this government, repeating only the old cry of those hungry for office that they would do the same thing only better. Indeed, I am reminded of a cartoon I saw not so long ago in which a politician said that he was dedicated to producing an invulnerable defence and at the same time lowering the taxes. However, he said that his method was a question of security and therefore could not be revealed. I have an idea that he must have been related to the hon. member for Trinity.

Mr. Carter: Mr. Chairman, in opening the debate on the shape of things to come last night the minister told us that the day of large armies, large manpower, had passed. To cope with the situations which may arise in the future we will have to confine ourselves to relatively small forces. There will be no more mobilization, no more massed armies on large fronts. The only forces that will see action will be those already in being. We in the west are handicapped by limited manpower compared with the Soviet union which poses our greatest threat. That handicap must be compensated for by making our limited manpower as effective as possible. That can only be done by means of superior equipment that will compensate for our small numbers by giving us increased firepower and mobility. This can only be done through research and development. More money needs to be spent on research than we have been spending in recent years if we are to play our part with maximum effectiveness having regard to our limited manpower resources.

For example, the introduction of tanks afforded a very great superiority to those who were able to use them but the tank today is fast becoming obsolete. If we are to meet the threat of soviet tanks in Europe we need first of all a very light, portable anti-tank gun, some sort of one-man weapon along the line of a bazooka which can enable one man to knock out a tank effectively. As I have said, tanks themselves are fast becoming obsolete.

We also need devices that will give our troops superiority under certain environmental conditions. This is at least one lesson that we should learn from the last war when

the Germans and the Russians achieved a great advantage by the introduction of devices which enabled them to fight at night, and if we are to overcome that handicap some device is needed which will enable tanks to be able to fight at night, something they are not able to do at the present time. Therefore we should be concentrating our efforts on the development of certain devices such as radar, infra-red rays and light gathering devices which will enable tanks to overcome this handicap.

The same thing is true of the Bobcat which the minister told us last night is going to be provided for the use of our forces. The Bobcat is also very vulnerable to anti-tank weapons and we must find ways and means of using the Bobcat at night when it would be less vulnerable than in the daytime. We also need devices which will enable our forces to operate under certain environmental conditions such as are to be found in the Arctic regions of our country. We do not seem to be doing this.

If we look at the estimates for research and development over the past few years we see that while research appropriations have about held their own the money for development has been drastically reduced. Looking at the defence research board estimates for research we see that in 1957-58 we provided $24,188,000; in 1958-59 we provided $26.8 million; $21.9 million in 1959-60; and $23.9 million in 1960-61. Therefore we have been just about holding our own on the research side of our program. But when it comes to development the story is very different. In 1957-58 we provided $40.6 million for development; in 1958-59, $55.6 million; in 1959-60 only $21.5 million; and So that we have come down from $55.6 million in 1958-59 to $14.2 million in 1960-61.

I know that the minister gave an explanation of this to the committee when the matter was brought to his attention but that is not the point I am trying to make at the present time. The fact that certain programs have been completed does not mean that we should cut our development appropriations because there is such a great need for this kind of work to be carried on in other fields similar to what I outlined a few minutes ago. Instead of cutting off the supply of money when one program is completed we should actually be increasing this end of our program.

Not only is that necessary for military purposes but, as the hon. member for Trinity pointed out earlier this evening, it is necessary in a country like Canada to enable us to achieve our full industrial potential. The hon. member for Trinity referred to the research that we should be doing on atomic engines for planes and small atomic engines for other purposes. I agree completely with what he has said, because we do have a problem today in finding markets for our uranium. Certainly this is a problem that affects not only the armed services but all Canadians in that it is tied in with the economic development of our country.

Another aspect of this reduction which I should like to bring to the minister's attention is the need for an increase in the salaries of our scientists. We are losing our scientists because today we are not paying them the same salaries that they can get in industry or even in the universities of our country. This type of economy is false economy. We are not doing our duty to our country when we economize in this way.

I would ask the minister, therefore, to take another look at this development program and to overhaul it radically, to take every possible means of increasing it. There must be hundreds, and hundreds of projects which are necessary for the maximum effectiveness of our limited armed forces and which would be of use in the industrial development of our country, devices that perhaps would give Canada an advantage over competitors in the foreign markets. I do not believe we should separate one from the other here because the advantage is not only to the military but to the whole country.

I am very sorry, therefore, to see the reductions that have been made in this part of our research and development program. I would ask the minister to see to it that this program is overhauled and increased at the earliest possible date.

Mr. Hellyer: I wonder if the committee would be agreeable to calling it eleven o'clock? I should like to reply to some of the points that have been raised.

An hon. Member: No.

Mr. Hellyer: This is the same courtesy we extended to the minister last night at the same time.

The Chairman: Is there unanimous consent to calling eleven o'clock?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hellyer: Apparently there seems to be a dissenter down there, Mr. Chairman, so I have no objection to speaking for four minutes if that is the wish of the committee.

Mr. Pearkes: I think we have agreed to call it eleven o'clock.

The Chairman: I have no objection to asking again for unanimous consent. Is there any objection?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Hellyer: Mr. Speaker, I wonder if the house leader would be good enough to indicate the business for tomorrow and the balance of the week?

Mr. Churchill: Tomorrow we will carry on with the estimates of the Department of National Defence. I am not sure when those estimates will be completed. If they are finished tomorrow in the afternoon, I should like to leave it open, after further consultation with members on the other side, as to what business we might go on with immediately following the Department of National Defence. If our consultations do not result in agreement, we will proceed with the estimates of the Department of Trade and Commerce.

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

HOUSE OF COMMONS

Friday, August 5, 1960

The house met at 11 a.m.

THE LATE RIGHT HON. ARTHUR MEIGHEN

TRIBUTES ON PASSING OF FORMER PRIME MINISTER OF CANADA

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this morning Right Hon. Arthur Meighen passed away. In his passing Canada has lost a devoted statesman, the commonwealth one of its founding fathers, and the world of letters one of its master craftsmen. His career from his first participation in public affairs to the present spanned more than half the history of Canada since confederation. He first came into the House of Commons in 1908. He was appointed solicitor general in 1913 and was sworn of the privy council of Canada on October 2, 1915. Later he became a member of the imperial privy council, and was twice prime minister of Canada.

It has been given to few Canadians to have served so long and made so distinguished a contribution. This is not the time to review his life or his achievements, but it can be said that the true nature of that contribution grows with the years as historical perspective makes clearer the real truth of this man and his mission, often misunderstood.

I had the opportunity some months ago of seeing him for the last time, and I could not but marvel at his attitude toward life and his freedom from recrimination whatever the vicissitudes of his life had been. Indeed, his own words displayed the nobility of this man. He said on one memorable occasion:

> Fortune came and fortune fled. It is only the lot of all of us, at least of all who strive—the joy of the upward struggle, the successes, disappointments and defeats. Perhaps it has been my fate to have had more than the average on both sides of the account, but I promise you there is going to be nothing of bitterness carried forward after the page is turned... Whether now judged right or wrong, whatever I have said, whatever I have done, is going to remain unrevised and unrepented...

The page of his great life is now turned forever. The book of our history is richer because he wrote upon that page. His life was characterized, above all, by stainless integrity, courage and steadfastness of faith. I have mentioned the honours that came to him throughout the years and I shall not repeat them. Only one member of this house was here during the days when Arthur Meighen occupied so great a place in this forum, and that is the hon. member for Dufferin-Simcoe (Mr. Rowe).

I heard him speak on a number of occasions, and they were unforgettable. He had the unique distinction of having been the only Canadian who had held the four great offices of parliament, for he was both prime minister and leader of the opposition in the House of Commons, and government leader and leader in opposition in the Senate. His voice was heard in adornment of 23 sessions of the House of Commons and 13 sessions of the Senate.

Arthur Meighen was my friend. I twice contested a seat in parliament under his leadership. I heard him on the hustings many times, and whenever I heard that man the words of Lord Curzon, as he described another great statesman, Right Hon. Herbert Asquith, came to mind:

> Whenever I have heard him on a first rate occasion, there arose in my mind the image of some great military parade. The words, the arguments, the points, follow each other with the steady tramp of regiments across the field; each unit is in its place, the whole marching in rhythmical order; the sunlight glints on the bayonets, and ever and anon is heard the role of the drum.

Sir, he had the amazing capacity to marshall his facts and express them in language so clear and colourful that the pages of *Hansard* will always be a monument to his memory.

He was an outstanding scholar. From his boyhood days in St. Mary's to his last days he was immersed in the classics of the world's literature. Indeed, many of us will remember that speech on his favourite subject, Shakespeare which he delivered ex tempore, which was copious with long quotations from memory; that speech reproduced time and again in anthologies containing collections of the world's greatest speeches.

To his intimates he was a warm and sensitive personality. This was so in his latter days, but those who knew him well will also bear witness that even in his most controversial days he maintained a spirit of generous forgiveness to those who wounded; an attitude of companionship in a common dedication to those with whom he disagreed; an uncommon loyalty to his friends and followers. I think of his words regarding his predecessor in office as prime minister of

The Late Right Hon. Arthur Meighen

Canada, Right Hon. Sir R. L. Borden, of whom Mr. Meighen used these words, so applicable today:

> Happy indeed are they who, as the night of life approaches, find that the inner vision does not fade. Happier still are they who, as the shadows lengthen, have full assurance that they bore with head unbowed a strong man's measure of the heat and burden, who are conscious that they enjoy the undimmed confidence of everyone who shared with them their struggles and anxieties, and who have just cause to hope that when all is over there will be heard from their fellow men the simple and sincere benediction: "He served his country well".

Some hon. Members: Hear, hear.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, when we heard a short time ago of the death of Mr. Meighen I think we shared with all Canadians a feeling of sorrow at the death of one of Canada's outstanding citizens; a man, as the Prime Minister has put it, of great nobility of character; a former prime minister who made a distinguished contribution in politics and in business to the development of our country and our commonwealth.

Few Canadians in all history have surpassed him in intellectual brilliance and scholarly attainment, in incisive skill in parliamentary work and, above all, in parliamentary debate. Few Canadians have ever served their country in so many fields of activity so selflessly and so well over such a long period of time. May he rest in peace as he served with honour.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, it is with regret that members of the C.C.F. party heard of the passing this morning of Right Hon. Arthur Meighen.

Mr. Meighen, as the Prime Minister and the Leader of the Opposition have so well pointed out, was an outstanding Canadian statesman, a man of great courage, a skilful debater, a tower in Canadian parliamentary history. His public career extended over more than half a century. It was interspersed with many victories and some defeats, but on all those occasions Mr. Meighen showed himself a master. He was an outstanding leader of the Conservative party. He was a great Canadian, and our nation will mourn this day at his passing.

Hon. W. Earl Rowe (Dufferin-Simcoe): Mr. Speaker, our Prime Minister, the Leader of the Opposition and the house leader of the C.C.F. party, the hon. member for Assiniboia, have eloquently expressed, I am sure, the sentiments of all members of this Canadian House of Commons. However, perhaps I might have permission to pay a personal tribute to one with whom I have been associated in different ways for many years.

It was my privilege, as the Prime Minister has said, to enter parliament as a member with Right Hon. Mr. Meighen in 1925. Many others who joined us on that occasion have not been so privileged as I have been with health in survival. However, this outstanding Canadian was known to those of us who were closely associated with him as many other Canadians have been known by their close associates.

His ability was legendary. He was brilliant on the floor of parliament, and in all the history of the Canadian House of Commons and Senate debates his debating skill has never been surpassed. As the Prime Minister said, he achieved many outstanding distinctions in our Canadian history.

I also feel that while his ability was legendary generally, his outstanding loyalty, statesmanship and leadership inspired all those who were close to him. Indeed his sterling political integrity and character earned the lively respect of all those who dared oppose him. I have valued very highly my close association with him through all these years to which I have referred. His friendship has been an inspiration to me and his loyalty has never been in doubt amongst his close friends.

I could add many things from the memory I have of him, but let me say to you, Mr. Speaker, and to all my associates here that I am sure I am only expressing the feelings of the Prime Minister and the Leader of the Opposition and all members of the House of Commons when I say that Canada has lost a great Canadian, the senior privy councillor, having been sworn in in 1915. He was the oldest living ex-prime minister. His memory to me will always be an inspiration. To Mrs. Meighen and to the family I express on my own behalf, and on behalf of my family, our sympathy and high respect.

CIVIL DEFENCE

FALL-OUT SHELTERS—PROVISION FOR INCORPORATION IN NEW HOMES

Hon. D. J. Walker (Minister of Public Works): I have a brief announcement to make concerning fall-out shelters. Central Mortgage and Housing Corporation, at the request of the emergency measures organization, has prepared a pamphlet giving basic criteria on the method of designing a basement fall-out shelter for new housing. The pamphlet is being issued today.

Entitled "Blueprint for Survival No. 2", it is the second in a series showing survival techniques in the event of radiation fall-out. You will recall that the Prime Minister announced the first pamphlet "Blueprint for

Survival No. 1", in this house on June 17, 1960 which explained the construction of fall-out shelters in existing houses.

If they so desire, borrowers under the National Housing Act may include a fall-out shelter when planning their houses and the cost of the shelter may be considered in the appraised value of the house for mortgage loan purposes. Up to $500 of additional loan will be made available to assist in the financing of an acceptable fall-out shelter in new housing built for home ownership. Where necessary, the maximum loan regulations can be exceeded by up to $500 for this purpose.

I must emphasize that the additional $500 may only be used to incorporate a fall-out shelter in a new house. Fall-out shelters for existing houses, as mentioned by the Prime Minister, may be financed with home improvement loans under the National Housing Act.

AGRICULTURE

SUNFLOWER SEED—ANNOUNCEMENT OF MANITOBA SUPPORT PRICE

Hon. D. S. Harkness (Minister of Agriculture): I wish to announce that the agricultural stabilization board has been authorized to support the price of sunflower seed produced in the province of Manitoba at 4 cents per pound, Canada No. 1 grade, 10 per cent moisture, basis delivery crusher, Altona, Manitoba. This is the same support price as last year. The prescribed price of 4 cents per pound is 93 per cent of the base or 10-year average price of 4.3 cents per pound.

PROCEDURE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

On the order: Motions.

July 25—The Minister of Trade and Commerce—the following proposed motion:—

That the report of the special committee appointed to consider with Mr. Speaker the procedure of this house, presented Monday, July 25, 1960, be concurred in.

Hon. Gordon Churchill (Minister of Trade and Commerce): I would ask that this motion stand with the proviso that it may be called later today. There are certain consultations going on which have not yet been completed.

GRAIN

ACREAGE PAYMENTS—NEWSPAPER FORECAST OF GOVERNMENT POLICY

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Agriculture if it is true, as reported in the *Financial Post*, that the government has decided on a program to assist western farmers by way of an acreage assistance program not to exceed $200 per person and not to exceed in total $40 million?

Hon. D. S. Harkness (Minister of Agriculture): I think it is well understood that it has never been the practice in this house for ministers to comment on reports alleged to have appeared in newspapers.

Mr. Martin (Essex East): Then will the hon. gentleman announce a program in principle along the lines I have foreshadowed?

AGRICULTURE

DEFICIENCY PAYMENTS—MEETING WITH WESTERN FARM ORGANIZATIONS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wish to address a question to the Prime Minister. In view of the letter sent by Mr. Gowan T. Guest to the Saskatchewan farmers' union, in which it was stated that there would be no delay in contacting that organization as soon as it was possible to suggest definite arrangements for such a meeting, can the Prime Minister say whether this meeting with the liaison committee will be held after the government's announcement of policy or whether it can be held before, in order that the opinion of the liaison committee might be taken into consideration?

Right Hon. J. G. Diefenbaker (Prime Minister): As I endeavoured to make very clear yesterday, the government has at all times the benefit of the experience and knowledge of many members from the western provinces who support this administration. The government has discussed with them the policies which might conceivably be brought into being.

In so far as the liaison committee is concerned, there have been a number of appointments with them. They started with the concept that only a deficiency payment was the answer. We replied that the deficiency payment, which would have cost the Canadian people some $330 or $340 million, was out of the question. Later we asked them whether they had an alternative upon which in effect they could agree. That alternative has not yet been determined. However, I stated in the letter that every opportunity will be given at the appropriate time to meet with the liaison committee, as indeed this government does with any group representative of the various fields of economic activity in the country when they make requests.

I simply say I am hopeful that we shall be in a position very soon to place before the

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Canadian people the considered decision in regard to the position of the western grain farmer. We have had the opinions of all our members on this subject. Having not received a sole alternative to deficiency payments from the liaison committee we are therefore in a position where policy can be determined. Thereafter, no doubt, the liaison committee may have other suggestions to make, at which time the Minister of Agriculture and I will be most happy to meet with them.

Hon. L. B. Pearson (Leader of the Opposition): I should like to address a supplementary question to the Prime Minister and ask him whether the policy he has just mentioned will be placed before this house before the end of the present session.

Mr. Diefenbaker: Mr. Speaker, I am always hopeful that that will take place.

Mr. Argue: I have a supplementary question. Did not the western liaison committee, on behalf of the farmers' union, submit a brief to the government on May 12, to which there has been no reply to date? Can the Prime Minister say why the government is taking the position that this policy will be announced and consultation will take place afterwards?

Mr. Diefenbaker: Mr. Speaker, the responsibility for policy is that of the government and those associated with it. No group anywhere in this country can do other than make suggestions. The determination will be that of this government. I have pointed out that we have the benefit of the opinions and views of some 50 western farm members, who have made very clear their views as to the needs and requisites of the western farmers.

Mr. Argue: I asked the Prime Minister whether there had been a reply to this brief, and I ask him now whether he does not think that the course he is now taking is an insult and a slap in the face—

Mr. Speaker: Order. The hon. member is now trespassing on the privileges that are offered to him to ask questions, when he makes contentious and provocative statements.

Mr. Diefenbaker: My simple answer to the hon. gentleman is that having read some of his recent statements in western Canada I would not take any advice from him in the art of insult.

Hon. Paul Martin (Essex East): Mr. Speaker, may I direct a supplementary question on this subject to the Minister of Agriculture. In view of the reassuring statement, which at long last marks progress in this matter, given by the Prime Minister, can the Minister of Agriculture say whether, before the closing days of this session, he will bring in, by way of a supplementary estimate, something that will enable parliament to examine the government's policy with regard to the request made by the farmers of western Canada?

Hon. D. S. Harkness (Minister of Agriculture): Mr. Speaker, I think this is merely a repetition of the question asked by the Leader of the Opposition of the Prime Minister, and the answer the Prime Minister gave is, I think, the answer to it.

Mr. Martin (Essex East): May I ask a supplementary question. Would my friend do whatever he is going to do while the hon. member for Assiniboia is in this house; because next week the latter will be in Regina.

Mr. Harkness: Mr. Speaker, I do not think the government or the house can conduct its business merely to serve the convenience of the hon. member for Assiniboia.

Mr. Argue: Mr. Speaker, would the farmers not welcome an earlier announcement rather than a later one?

INQUIRY AS TO SUPPORT POLICY FOR OIL SEEDS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Agriculture based on the announcement he made this morning regarding deficiency payments on sunflower seed. Does the minister have in mind applying the same policy to all other oil-bearing seeds?

Hon. D. S. Harkness (Minister of Agriculture): No, Mr. Speaker. We apply whatever form of support happens to be the best for any particular commodity. The type of support provided for soya beans in eastern Canada and for sunflower seeds in western Canada is the same type of support and at approximately the same level.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. Does the Minister of Agriculture not think that the representations of the hon. member for Humboldt-Melfort for greater and closer attention to the problem he has raised, which representations I have supported—

Some hon. Members: Oh, oh.

An hon. Member: That would kill it for sure.

Mr. Hees: You are getting a little too heavy for that band wagon.

Mr. Speaker: Order. Would the hon. farmers from the west please give the member a chance.

Mr. Martin (Essex East): Mr. Speaker, the importance of my question has been lost in the wide appreciation of its enunciation. Does the minister not think that before we prorogue the urgent representations made by the hon. member for Humboldt-Melfort should be met by an announcement of government policy that will really assist those interested in rapeseed?

Mr. Speaker: It seems to me that the hon. member is repeating in another form two questions that have already been dealt with.

Mr. Martin (Essex East): Mr. Speaker, I would be happy with an answer to either one of them.

Mr. Harkness: Mr. Speaker, this so-called question is an example of the sort of statement which the hon. member for Essex East constantly makes, not for the purpose of obtaining information but for the purpose of attempting to put over a point, which he has no right to do at this period in our proceedings.

Mr. McIlraith: You are answerable to the house still.

NATIONAL REVENUE

SALE OF DUTY AND TAX FREE GOODS AT BORDER POINTS

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. In spite of opposition by retail merchants and chambers of commerce, the government allowed duty free shops to be established at U.S. border points.

Mr. Speaker: Order.

Mr. Grafftey: Out of order again.

Mr. Speaker: If the hon. member has a question I suggest that he ask it, instead of making a statement.

Mr. Badanai: On a point of order, Mr. Speaker, I think I have to set up a basis for the question.

Mr. Speaker: I am sorry; I interrupted the hon. member because he began by saying that in spite of certain things the government has proceeded to something else. That is not a search for information in the spirit that I hope hon. members will follow in asking extemporaneous questions before the orders of the day.

Mr. Badanai: On March 18 I asked the minister whether the government had made any attempts to evaluate the impact that the selling of duty free goods at border points was going to have on small retail merchants. Five days later the minister replied as follows:

> It is a problem which is engaging the attention of the department at all times and one to which we are giving special study.

My question is, is the minister now in a position to say what the special study of his department has revealed; whether as a result of the operation of these duty free shops—

Mr. Speaker: Order. I have no doubt the hon. member has a point which he wishes to make, but it does not seem to me that he is asking for any information that can be given briefly on the orders of the day.

Mr. McIlraith: Mr. Speaker, the point is, what is wrong with asking for the result of an investigation?

Hon. George C. Nowlan (Minister of National Revenue): I am prepared to deal with that question, without accepting for one moment the lengthy preamble, most of which was inaccurate, which was read to us by the hon. member. There has been one of these so-called duty free shops in operation, only one, and it has been in operation for only two or three months. It will be impossible to determine its effect until after the end of the season. We are watching the situation carefully in the hope that by the end of the season, from the operation of this one example, we shall be able to make some assessment.

CIVIL DEFENCE

FALL-OUT SHELTERS—ACCEPTABILITY UNDER MUNICIPAL BUILDING CODES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Public Works, the sixth minister in charge of civil defence. Will the minister be good enough to amplify his welcome statement of this morning and indicate to the house whether the "Blueprint for Survival No. 2" contains provision for a structure which, unlike that contained in "Blueprint for Survival No. 1", meets the local building codes of municipalities across the country?

Hon. D. J. Walker (Minister of Public Works): I will be glad to hand my friend the brochure, which I have here. It has many of the blueprints in it. Whether or not they meet the building restrictions in the many municipalities across Canada, which vary very widely, I am not in a position to say. We have not had a chance to examine them all.

Mr. Hellyer: Can the minister say whether the specifications meet the standards of

Central Mortgage and Housing Corporation and of the national building code?

Mr. Walker: They certainly meet the standards of Central Mortgage and Housing Corporation.

Mr. Hellyer: They sometimes issue blueprints that do not.

TRANSPORT

LAKE WILLIAMS, N.S.—INQUIRY AS TO DROWNING INCIDENT

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Transport. Will the minister please advise whether he is in a position to reply to a question I asked on June 23, which reads as follows:

> Could the minister say what steps are being taken to avert tragedies similar to that which recently occurred on lake Williams, Nova Scotia, when a boy was drowned because a pilot, taking off from the lake, failed to notice the sailboat in which he was a passenger?

To which the minister replied:

> Under the air regulations certain regulatory procedures aimed at guarding against mishaps of this nature are prescribed. We have not yet received from our district officials the formal report with respect to the tragedy referred to by the hon. member.

I should like to ask the minister if he is in a position to advise whether a report has been received, because there have been further mishaps in this area involving low flying aircraft since the fatal accident which I brought to the minister's attention on June 23.

Hon. George H. Hees (Minister of Transport): Yes, Mr. Speaker, the departmental investigation has been completed and the report is now in process of being prepared.

STATEMENT ON REPORTED INEFFICIENCY OF APPROVED LIFE PRESERVERS

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, in reply to the inquiry yesterday by the hon. member for Kootenay West regarding drownings when people were wearing life jackets, I am advised that my department has received no complaints from organizations or individuals to the effect that recent drownings of people wearing life preservers approved by the Department of Transport have taken place.

HOUSING

GYPSUMVILLE MAN.—ACCOMMODATION FOR RADAR STATION PERSONNEL

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Defence. I wish to apologize for not having been in a position to send him notice. It has to do with the establishment of a radar station in Manitoba and a request sent to me by a person at Gypsumville, Manitoba, that the housing for personnel in connection with this station should be located in the town of Gypsumville rather than at the site of the station. Would the minister give consideration to this request?

Hon. G. R. Pearkes (Minister of National Defence): We will be pleased to consider that. I cannot say offhand exactly how far the site is outside the town of Gypsumville, but I will look into the matter.

HEALTH INSURANCE

NEW BRUNSWICK—STATEMENT ON REPORTED ABOLITION OF HOSPITAL PREMIUMS

On the orders of the day:

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on August 3 the hon. member for Gloucester put the following question to me:

> Has the minister taken the necessary steps to notify all departments of government concerned that hospital premiums have been abolished in New Brunswick as from July 23, and that the deductions from salaries of federal employees in New Brunswick to cover such premiums should be discontinued?

All federal agencies which had been paying premiums to the New Brunswick hospital insurance commission were advised by that commission on July 23 that hospital insurance premiums had been abolished in the province. In some instances this direction was received too late in the month to anticipate the regular deductions being made for that month in the case of those federal employees who reside in New Brunswick. In the case of any such deductions, refunds are being made.

SHIPPING

PROVISION OF MORE WORK FOR CANADIAN SHIPYARDS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Transport, based upon a report in today's *Globe and Mail* indicating that the Minister of Labour and the Minister of Transport have been in consultation about

bringing more work to Canadian shipyards. I should like to ask the Minister of Transport whether the Canadian maritime commission is preparing any program or policy to bring more shipbuilding to Canadian yards.

Hon. George H. Hees (Minister of Transport): Mr. Speaker, the maritime commission and my department have this matter very much under consideration at the present time.

HUMAN RIGHTS

HOUSING—PREVENTION OF DISCRIMINATION BECAUSE OF COLOUR

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. In the light of the passage by the house of the bill of rights and the Prime Minister's statement that what is required now is for each of us to mobilize in our hearts to make freedom work, can the Prime Minister say whether any action can be taken under this law to guarantee human rights and fundamental freedoms to a distinguished civil servant like Mr. Tertullien, who had difficulty in obtaining housing because of colour?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the legal interpretation of the effect of the statute does not come within the ambit of any member of this house.

Hon. Paul Martin (Essex East): May I direct a supplementary question on this subject to the Minister of Public Works. Now that the bill of rights has been passed by the house, is he in a position to announce the formula to be used by the Central Mortgage and Housing Corporation administration and which will represent the determination of the federal government that loans will not be denied to Canadian citizens because of colour, as was the case in the particular situation to which I directed the minister's attention concerning a respected negro in the city of Windsor?

Hon. D. J. Walker (Minister of Public Works): The regulations have been worked out. The exact clause to be put in the mortgage is still under consideration and scrutiny by the Department of Justice.

Mr. Diefenbaker: May I add one word. I did not identify the particular case by the name. The case to which the hon. member for Assiniboia referred is a matter within provincial jurisdiction, as the hon. member knows.

CANADIAN NATIONAL RAILWAYS

REPORTED INTENTION TO CURTAIL SLEEPING AND DINING CAR SERVICES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport. Will the minister comment on the report that, beginning October 30, the Canadian National will institute a severe curtailment of sleeping and dining car services on its transcontinental trains? Would the minister be prepared to consult with the management of the Canadian National in the hope that this reduction in railway services and employment may be avoided?

Hon. George H. Hees (Minister of Transport): I wish to thank the hon. member for having given me notice of his intention to ask this question. The management of Canadian National Railways advise me that the question of off-season operation of transcontinental trains is now under study, and no decisions have yet been reached. I shall be glad to pass along the words of the hon. member to the management of the Canadian National.

UNITED NATIONS

DISARMAMENT—INQUIRY AS TO AUGUST MEETING OF COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Secretary of State for External Affairs if he can report on the proposed meeting of the disarmament commission of the United Nations, now set for August 15?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker; we have had no further word with regard to this meeting as yet.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

Mr. Pearson: Mr. Chairman, it will be clear to the committee from the statements which have been made from this side of the house on this item that we propose to criticize, as strongly as we can, the defence policy of the government in so far as it has been submitted to us by statements from government spokesmen. Our criticism will be strong, but it is designed, notwithstanding what has already been said from the other side, to be constructive. When we advocate, as we have advocated, the scrapping of certain weapons

and equipment, and indeed the scrapping of certain policies, because we do not think they meet the requirements of the present situation, we also propose something else which in our opinion will be more effective and more useful.

It is quite clear, Mr. Chairman, that criticism of the defence policy of the government is not confined to members of the opposition in this House of Commons. The minister said in his statement yesterday that Canadians support the commitments we have undertaken. Perhaps Canadians do support the commitments, but it is obvious from a study of the organs of public opinion throughout the country, from articles, from editorials, that a great many Canadians do not support the way this government is undertaking to carry out its commitments. The criticism is widespread; it is general, and it has been expressed in far stronger language than any that has been used in this House of Commons.

I want to say at the beginning that any criticism from us is no reflection on our armed services, for whom we have the same admiration as that which has been expressed by spokesmen for the government. We know that our armed services will discharge, as they have in the past, with skill, with loyalty and with effectiveness and devotion any tasks which may be submitted to them. In addition, Mr. Chairman, our criticism is not aimed at the minister personally or anyone associated with the minister in the government. There is no personal reflection of any kind in what we may say. Some of us on this side, because we have had the responsibility of office, are aware of the terrific responsibility which the minister of national defence in any free country must bear in an international situation of tenseness. and uncertainty, such as exists today, and where conditions change rapidly almost from week to week and certainly from month to month.

The government through the minister, who is facing this terriffic responsibility, feel that their defence policy has been a great success. Yesterday the minister said the fact that our country continues to be secure indicates the success of their policies. He would indeed be an optimistic person, Mr. Chairman, to feel that, in the circumstances of today, our country or any other free country is secure. Surely there must be more important evidence of the success of the defence policy of the government than that, before we on this side will be impressed by that success.

So we criticize policy alone, and we recognize, as my hon. friend from Trinity said yesterday, that in our criticism we do not have all the facts of the situation. It is inevitable that the minister will have more information than we have, because there is certain information that he cannot, for security reasons, make available to us. We recognize the fact that because of the availability to the minister of information which perhaps cannot be made available to us, criticism from this side should not only take that into consideration, not only should it be constructive, but also it may have to be revised in the light of information which later becomes available. We base our views of defence policy on what we know, which includes what we have been told by the minister.

We have learned very little indeed in this session about defence policy, and the considerations on which it is based, except those very general considerations which are non-controversial. We had hoped from the beginning of this session that provision might be made by which we, on as non-partisan a basis as is possible, could analyse, discuss and examine defence policy in its broadest as well as its more detailed aspects, before a parliamentary defence committee called for that purpose and with terms of reference which would have made that possible.

We tried to get such a committee, Mr. Chairman, and we failed. There was a defence committee set up. It was set up initially to discuss expenditures which had been made, and only after a debate in this house were its terms of reference broadened to include the estimates before us this session. It was set up after a good deal of delay and a good deal of confusion. We suspected at the time the debate took place in this house that such a committee, with such terms of reference, would be prevented from making a real inquiry into defence policy. And it was. Our suspicions were realized. As was said in the debate setting up that committee—

Mr. Lambert: By whom?

Mr. Pearson: If the hon. gentleman will be patient I will quote chapter and verse to confirm what I have just said. You might save your interruptions until I have finished my arguments. The record is quite revealing in this regard, and I will quote it and put it in *Hansard*. I will quote first from the record of the debate in this house and then from the record of the meetings of the committee. The Minister of National Defence said on March 17 of this year, at page 2180 of *Hansard*, talking about the work of that committee:

> To discuss that policy—

That is defence policy.

> —would not be within the competence of the committee.

Then a few minutes later on the same day, on page 2184, the minister seemed to contradict himself:

Whenever estimates are submitted to a committee or to the house in committee of the whole, policy can always be discussed.

But the Prime Minister on the same day, on page 2180, had this to say:

...the committee shall not discuss defence policies.

He was talking about the proposed defence committee. On the next day, March 18, the Prime Minister made it quite clear that expenditures discussed before this committee were to be considered in relation to the general policy, but that the general policy was not to be discussed. I quote what he said:

It will be up to the committee itself to decide where the dividing line between administration and policy is drawn.

That was the final reference to the work of this committee before it was set up. Let us see how the government members of the committee, the majority of the committee, drew this line between administration and policy. The committee began its meetings late in the session. The Liberal members of that committee had hoped from the beginning, and indeed expected, that expert witnesses would be called; not, of course, defence officials or serving officers, but others, for questioning on any policy matter. The subcommittee on agenda and procedures on May 11 recommended that, and I hope from its minutes—

—the witnesses at the start be restricted to the minister and the departmental officials.

Then the committee, on May 17, at page 69 of its minutes, adopted a recommendation that—

—in the event that the committee decided to call witnesses other than officials of the department...

They would be heard after the minister and after the officials. Then we went on. On June 1 the subcommittee—I quote from page 183 of the minutes—

—agreed to refer these matters—

That is, the calling of outside witnesses.

—to the main committee for determination.

The main committee agreed that after it had examined all the items in the estimates it would leave item 1 open, and I quote from its report:

—then the committee would consider the advisability of calling other witnesses.

Then we get to July 8, toward the end of the work of the committee. My hon. friend from Trinity asked:

When is it the intention of this committee to hear other witnesses, if at all, or is it true that there has never been any intention on the part of the government to allow other witnesses to appear?

In reply to that question the chairman of the committee said the matter would be discussed by the steering committee; and the final action of the committee, on July 19, was to ask the steering committee to consider again the calling of outside witnesses and report back "with reasonable dispatch". Then this question was resolved by a majority vote of the committee not to call any at all.

I ask you, Mr. Chairman, if that was not stalling by the majority on the committee, to give an impression that witnesses might be called, without any intention of permitting them to be called.

Some hon. Members: Hear, hear.

Mr. Pearson: In any event, they were not called and there was no opportunity of examining anyone on defence policy, except the minister. What opportunities did members of the committee itself have to examine defence policy and put forward ideas to the government? Practically none.

Mr. Lambert: You were not there.

Mr. Pearson: I have read every page of the minutes of proceedings of every meeting of the committee, and all you have to do is read the record and see what happened. I will put some of it on *Hansard*. On page 326 the chairman of the committee had this to say, and I quote from the record, underlining my statement that we could merely ask questions and not discuss policy:

All I wanted to tell you, Mr. Hellyer, is that if there is no money included in the 1960-61 estimates, then we are not going to ask the minister any questions about that at all.

That was even a restriction on questions. Then at page 327 of the same day's meeting the chairman said this:

If there is not any money included in those estimates for nuclear warheads, I do not see how we can ask questions about this.

At page 330 in the report of the same meeting Mr. Hellyer said this:

All you have to do is say it is the policy of this government that both these weapons will be equipped with nuclear weapons, or they will not be.

What did the chairman say to that?

Bring that up next year... We are not spending money on it now.

Again, at page 352, the chairman said:

All we are doing here is going through the estimates of 1960-61 in which there is no money provided for psychological warfare, and therefore any questions are out of order.

Then he said to the member for Burin-Burgeo, who had brought this question up, or tried to bring it up:

Have you another field?

And Mr. Carter replied:

It has to do with ideological warfare.

As perhaps the warfare we are facing in the world today is even more ideological than military, the hon. member thought it might be suitable in the defence committee to make some reference to this fact. But the chairman said:

> We are not spending any money on that either, so that is out of order.

On page 383 the hon. member for Trinity began to question the minister on the problem of defence and its relation to national sovereignty. Surely that would be a subject suitable for discussion in this defence committee. The parliamentary secretary to the minister said:

> There is no item on sovereignty, Mr. Chairman.

Then the chairman said:

> No, I was going to suggest that after the session is all over, we all get together and have a picnic and ask questions then.

Then on page 497 of the minutes the chairman said:

> Would you please ask direct questions and not make so many comments . . . Leave off the statements.

That, Mr. Chairman, is how defence policy was analysed, examined and discussed in the defence expenditures committee of this house. So we did not get very far in our discussion of defence policy. What then is the position now in this regard?

We have been left completely in the dark, in the record of the committee certainly, in respect of such important matters as nuclear testing and the use of nuclear weapons by Canadian forces. There was very little if anything done is this defence committee to elucidate the position of the government in these matters, though there was something done, I confess, to register the existing confusion in regard to them.

Let us look at nuclear testing for the moment. Government policy, as we see it, is one of shifting and changing. This has already been discussed in this house. The Prime Minister laid down the policy of the government in this matter on August 22, 1958, in words which have already been put on the record, at page 3944 of *Hansard* for that year:

> The house will recall that on several occasions since I became Prime Minister I have advocated the suspension of nuclear tests, but always providing there was adequate international control to ensure the observance of the undertakings made in that connection.

The Secretary of State for External Affairs repeated what he had said earlier when on February 9, 1960, as reported at page 866 of *Hansard,* he said:

> Our position is very clear, Mr. Speaker; we are against further nuclear tests, period.
>
> [Mr. Pearson.]

If that is not a contradiction between positions I do not know what is. But when I questioned the Prime Minister in regard to this contradiction and tried to get it resolved in order that we would know where we stood on such matters of vital importance, the Prime Minister said:

> I see no contradiction in the viewpoint expressed today and that expressed two years ago, except that naturally with the events that are now taking place modifications become necessary in order to meet changing conditions. Possibly what I have said should not be considered as a modification. What it is in fact is an interpretation of an actual reality existing today.

I was there quoting the Prime Minister, as reported on page 2252 of *Hansard* for this year. That is meant to mean, presumably, that the Prime Minister had altered his position from August, 1958 and had now joined the Secretary of State for External Affairs in coming out against nuclear tests, period.

Not long after, on June 4, 1960, the Prime Minister associated himself with the President of the United States in a communiqué which said:

> Particular attention was paid to the importance of achieving, with effective international control, an end to nuclear testing—

The Secretary of State for External Affairs said that represented no change, and the Prime Minister said that represented no change. When the Prime Minister was questioned on it a couple of days after the communiqué he said, as reported on page 4599 of *Hansard*:

> We have made it very clear that we believe in the complete termination of nuclear testing.

It was not made very clear in a document so important as a communiqué which was signed by the President of the United States and the Prime Minister of Canada. Apparently, notwithstanding this communiqué —because we base our views not on this statement but on decisions made in this house— the government now rejects any form of nuclear testing even under international control and agreement; even if it is for non-military purposes, such as has been proposed for the Alberta tar sands; even if there were no fall-out, such as would be the case in an underground test, and even if it were under United Nations or other form of international control.

If that is the position of the government, that position should be made clear outside Canada as it is meant to be made clear inside Canada. I am not questioning that position taken by the government, but to take such a categorical, unqualified position, if that is what it is, while at the same time accepting nuclear weapons which could not be brought to their peak of efficiency without testing,

would be inconsistent with the policy of the government in regard to testing to the point of hypocrisy.

Mr. Diefenbaker: Nothing of the kind, and you know better.

Mr. Pearson: I repeat what I have said.

Mr. Diefenbaker: That will not make it any more powerful.

Mr. Pearson: I will put it on the record again. To say in one breath "We are against nuclear testing, period" and in another "We will use nuclear weapons" which obviously cannot be brought to the utmost of efficiency without testing, is inconsistent.

Mr. Diefenbaker: What is the justification for the latter part of the statement? That they have not done sufficient testing now so that nuclear weapons and their potency can be established?

Mr. Pearson: The answer to that should be obvious to anyone; that nuclear weapons, when they are ready for use, have been brought to that position as the result of nuclear testing. The Prime Minister is against nuclear testing, but we will perhaps use nuclear weapons.

Let us see if we can find out the position of the government with regard to this other related matter, the use of nuclear weapons. On June 23 before the defence expenditures committee, as reported on page 323 of the report, the Minister of National Defence said this:

> The Bomarc anti-aircraft missile to be effective would require nuclear weapons.

That statement, of course, has been confirmed by many United States experts and military authorities, most recently by the general commanding NORAD. The Prime Minister made the same kind of statement on February 20, 1959 page 1223 of *Hansard* for that year, which I think was quoted last night by the minister. The Prime Minister said:

> The full potential of these defensive weapons is achieved only when they are armed with nuclear warheads.

Before the defence committee, page 294 of the report, the minister said with reference to another weapon:

> When the Honest John—

Not "if" the Honest John.

> —is supplied which will be a year from now, then our forces will have a nuclear capability.

I assume no one would wish to have a weapon in the Canadian forces which was not of maximum effectiveness, and as the Bomarc can only be of maximum effectiveness if it has nuclear warheads, so we are told, then if the Bomarc is supplied it would be supplied for use in certain circumstances with nuclear warheads. Indeed, it is difficult to conceive of any circumstance where a weapon would be used without its maximum effectiveness.

Who will control this nuclear capability? The minister made that perfectly clear before the defence expenditures committee. As reported on page 312 of the report he said:

> My understanding is that the authority has to come from the President of the United States before nuclear weapons are used. These warheads belong to the United States. That permission having been granted to Canada to use these weapons, then the decision is made by Canada as to whether or not she will take advantage of that permission given by the United States.

Later in the same meeting he said, page 313 of the report:

> I can only give this to you in general terms. The nuclear weapons cannot be used until they are released by the President of the United States. They then would be released to the supreme allied commander in Europe.

On this occasion the minister was talking about nuclear weapons with NATO forces on the continent, I believe. Later, again at the same meeting, page 322 of the report, quoting the Prime Minister the minister said:

> We cannot change the principle of United States ownership.

Then the minister went on, page 331 of the report:

> If those disarmament conferences are not successful, then we may, as the Prime Minister said, require those weapons to be used by Canadian forces.

I think we have the right to conclude from this and other statements which have been made, Mr. Chairman, that the situation with regard to actual use is somewhat fluid at the present time. Indeed, that was the word used by the minister, I think in the committee; that the situation was fluid at the present time. Well, if it is fluid—and I think that is the minimum expression which could be used—are there negotiations going on with regard to this matter which may clear up these difficulties? Yes; or no; or perhaps; depending upon which statement you read. In February, 1959 the Prime Minister, as reported on page 1223 of *Hansard*—I think the minister quoted this yesterday in his statement too—said this:

> The government is, therefore, examining with the United States government questions connected with the acquisition of nuclear warheads for Bomarc and other defensive weapons...
>
> We are confident that we shall be able to reach formal agreement with the United States on appropriate means to serve the common objective.

The Secretary of State for External Affairs, following a question I asked him in the committee on external affairs as to whether

negotiations were still going on with the United States government on the use of nuclear weapons and their control by Canadian authorities, said:

> There has been no agreement on that... I am not in a position to make any report on that at the moment... Certain negotiations are underway, but I think not on the particular point you mention.

That extract is to be found at page 73 of the report of the committee on external affairs. In other words, the Secretary of State for External Affairs said there were negotiations going on, but only, he added, in respect of the storage of nuclear weapons; that is, the storage of United States nuclear weapons on Canadian soil. On page 73 of the report of the committee I added:

> —and there are no negotiations going on in respect of this supposed change of policy at all.

I was referring there to the use by Canada of nuclear weapons. The Secretary of State for External Affairs replied:

> No. There are discussions going on, off and on, between the various allies in NATO.

Is it surprising that we on this side are in some confusion as to what is actually happening in regard to the negotiations on such a vital matter as the use and control of nuclear weapons? When the Minister of National Defence used the word "negotiations" with regard to the storage of such weapons by the United States at Goose Bay, which is territory leased by the United States, he apparently meant, because he made that clear in the committee, political negotiations leading to an agreement. When he used the word "negotiations" or "discussions" regardind the use of nuclear weapons by Canadian forces, presumably he meant something very different, and this is one source of our confusion.

The minister said as reported on page 327 of the minutes of the defence expenditures committee, referring to negotiations with the United States:

> These negotiations regarding nuclear weapons have not been pressed very urgently because we have no Bomarcs yet.

And again, as reported on page 333, he said:

> We have not got to the stage of exchanging notes regarding any other of the nuclear weapons. However, talks have been going on between officials and ministers on the matter.

He was questioned by the hon. member for Calgary South on this point, as follows:

> You would have discussions at the service level followed by cabinet discussions where a policy decision would be arrived at by the cabinet as a whole—

[Mr. Pearson.]

Then the hon. member added this:

> Then the Department of External Affairs at the diplomatic level would exchange notes. Is this the complete sequence?

To which the minister for defence replied, yes. In other words, on the evidence we have before us, on the statements made, negotiations in this field which is of such vital political as well as military importance, becomes a matter for the Department of External Affairs only when the stage of exchanging notes is reached. Presumably the Secretary of State for External Affairs agrees with that, because he has already told us in this house, and he reported to the committee, that he was not participating in any such negotiations.

Well, Mr. Chairman, you know what I mean when I say this matter seems to have been left in the air. We bring in those responsible for foreign policy only when the formal notes have to be exchanged. That is made clear in the report of the committee on the defence estimates. So I ask, could there be greater confusion anywhere, or could there be a more important measure on which to be confused than this? I suggest that this confusion was made even worse by the minister's statement yesterday when he mentioned the matter, as reported on page 7557 of *Hansard*, as follows:

> We are, therefore, going ahead with the procurement of the vehicles which can use these nuclear weapons, but the decision as to the acquisition of nuclear warheads depends on circumstances which might develop some time in the future.

So we are going ahead with the preparation of facilities for the use of nuclear weapons; we are preparing for the possibility of using nuclear weapons, but we have not as yet made a decision, according to the minister, as to whether or not we shall use them or, if we do, on what conditions shall govern their control. At the present time, unless the situation has changed as a result of diplomatic negotiation and agreement, such weapons cannot be used by any Canadian force except by agreement with the President of the United States. That is the situation with regard to this matter and I suggest it is a very unsatisfactory situation indeed.

What should be our policy with regard to these matters? What do we on this side think our policy should be? Following what my hon. friend from Trinity said yesterday, I should like to put forward in a general way—because it can only be done in a general way at this time—some views, some recommendations, on defence policy and its relationship to foreign policy as we see it on this side of the house.

It is a time, we think, for radical change in our defence policy. It is not a time for

weakening our defences. It is certainly no time for wasting our money and for drifting along without a policy. Especially for a country like Canada it is a time for re-examination from the ground up of what we are doing, a re-examination in the light of strategic developments going back to the day three years ago when the Russians threw their first missile into outer space and thereby the whole concept of strategy was changed in as revolutionary a way as it was by the invention of gunpowder. It is a time to re-examine our policy in the light of the western coalition which has also changed in recent years; to re-examine it in the light of our resources, and to re-examine it in the light of our national interest. When I talk about the national interest I am not thinking of the short range, selfish national interest but of the long range national interests, the paramount one of which is to help maintain the peace, to help build up a coalition, a genuine coalition, as a basis for collective security, collective welfare and collective progress and to give a lead to other middle powers in the achievement of those objectives.

I agree with the Minister of National Defence when he said, though he perhaps did not use these words, that narrow nationalism will not do today. There can in my view be no neutralism for Canada in defence or foreign policy. I have been getting a good deal of correspondence, and no doubt so has the minister, on this question of whether we should disengage ourselves from the western coalition, and whether we could not play a more important and constructive role by virtue of such disengagement by moving in the direction of what has been called neutralism. A good deal of the comment which I get in the letters I receive is based on Mr. Minifie's book. I have replied to these letters, and perhaps I can put some of my words on the record:

> I agree with a great deal of what Mr. Minifie says in his book. I certainly believe we should re-examine our defence relations with the United States, and indeed our foreign policy generally in the light of some of the considerations which he puts forward.
>
> I cannot, however, go as far as he does in advocating that Canada should dissociate herself completely from the North Atlantic coalition and substitute for the present policy of collective action and collective security one of neutralism without any commitments except to the United Nations. The reason why I cannot go so far as that is because the inference would inevitably and reasonably be drawn from such a policy that our relations with the United States and the U.S.S.R. should be on the same level of interest and responsibility; indeed, that there was nothing to choose, so far as Canadian defence policy was concerned, between our two powerful neighbours.
>
> I know that there are faults, and some dangers, in U.S. policy, but I think also that there is a basic difference between the principles that underlie its policy and those which determine that of the communist imperialist system of the Soviet union. Recognizing, as I do, that difference, I cannot believe that abandonment of our present policies for complete neutrality would be a constructive step in the interest of peace. I think that we should continue to associate ourselves as closely as possible with the United States, the United Kingdom, France and other North Atlantic countries but that we should direct all of our activities and policy inside this association to the maintenance and strengthening of peace and the ending of the cold war in a way which would make the present system of defence through huge armaments unnecessary.

Therefore, Mr. Chairman, I believe as much as I have ever believed in collective action, especially in world collective action through the United Nations. I believe more than ever, in orienting our defence policy more than ever in the direction of having ready, trained and equipped forces for United Nations service; yet I feel that genuine collective action in these matters—and I am thinking more particularly of NATO—is more difficult now than it was 10 years ago when NATO was born, born in fear and apprehension.

Furthermore, I am sure the minister knows we have to so organize our collective forces now that they will take the shock of the all important first days, or even the first hours, of any nuclear war. In world war III, if we are mad enough to allow it to begin, as contrasted with world wars I and II there will be no time to learn from experience; our survival will depend on what we have planned, on what we have organized and what we have done up to that moment, not likely on anything we may do subsequently. And what we have done up to that moment will be our only hope for survival if we lose the only real defence which now exists, which is defence by the maintenance of peace.

I suggest we should not forget, as we are now being subjected to some reassuring statements from certain quarters—I wish they could be realistic; I wish that they impressed me as being realistic—about the possibility of living through a nuclear war, because it has a bearing on this kind of thing; that one single bomb today can harbour a destructive force greater than all the energy ever used in any form to fight all the wars in history before 1939. But also, and this is a corollary to that horrible idea, let us not in our defence or our foreign policy become the prisoners of the forces that this awful situation may provoke.

It is on that basis, on those principles—I would like to call them that—that I have tried to work out my own views as to what our defence policy should be at this time. I admit at once that it is not easy to do that, and it has taken two or three years of what

has been referred in another context as agonizing reappraisal before one could put views forward, so far as I am concerned; and I do not put them forward as anything final and fixed that could not be changed. They may even have to be changed, if we knew all the information that the minister has at his disposal as opposed to the information I have at my disposal.

But these are my views. Indeed most of them were also put forward yesterday by the hon. member for Trinity. So far as continental defence is concerned—I start with that first—I repeat what my hon. friend said. In my view we should get out of the whole SAGE-Bomarc operation, and we should not spend any more money on radar gap fillers. Our objection to the Bomarc is not only that we do not think it is an effective weapon. I admit that its tests lately have been certainly far more successful than the previous tests. Perhaps for certain purposes it may become an effective weapon, I do not know; but that is not our major objection to it. Our objection is to the kind of defence strategy it represents and which we do not think will be effective however effective the weapon may be. If the United States wishes to continue that kind of protection, let the United States do so. Let us withdraw from that direct form of continental defence.

After all, this kind of defence is primarily a United States responsibility. It is the defence of the deterrent. We know how important that is; but it is a deterrent which is under the sole control of the United States of America. It is not a defence, and in the nature of things I submit cannot be a defence, of our territory in the traditional sense of the word, and it will soon be no defence of anything. As the minister himself has indicated, in a few years missile attack will make this kind of defence of very minimal importance indeed, once missiles supersede airborne bombers, and that will not be long from now.

It seems to me, Mr. Chairman, that our experience in the last three years has shown that in attempting to participate in continental defence in the way we have, we are becoming, nothing more than just the last two knots on the Bomarc tail of the defence kite. I believe that in getting out of this position, which I consider to be an ineffective one for Canada, we would be rejecting the use by us of any form of nuclear weapons for what is mistakenly called the defence of our territory. I believe, however, that we should continue the part we are now playing in early warning operations, though they will be of diminishing importance as new methods of missile attack are developed.

To meet these new methods of attack by intercontinental ballistic missiles, the United States has very far-reaching, very expensive plans for ballistic missile early warning systems. I believe that we in Canada should accept no responsibility for the construction or operation of new warning systems against intercontinental missiles. I think this is out of our league and we should not become involved in it. I am not suggesting we are; I do not think we are at the moment, but I suggest we should keep out of it.

This brings up the whole question of what should be our defence relationship with the United States; what should be our attitude toward United States requests for Canada's co-operation in carrying out certain defence policies which are primarily in the interest of the United States, perhaps in the protection of the deterrent but in that sense these, of course, are in the general interest because anything that is in the interest of the United States as far as protection is concerned naturally is in the interest of every member of the coalition. If the United States goes, the coalition as we know it falls.

The hon. member for Trinity also dealt with this matter in terms of the role that in our view should be played by our Canadian air defence squadrons. We think, I repeat, that role should be limited to one of recognition and identification, with new planes which will be effective for that purpose and which will, if this role is accepted, result in a reduction in our squadrons, we think, by about one half, because not more than four or five squadrons would be required for this new role. The hon. member pointed out yesterday that it would also, we hope, make possible the exchange of these new planes purchased from the United States for the CL-44 made in Canada, an arrangement which the government is attempting at the moment, I understand, to bring about. This change in our continental defence policy would, as I say, permit us to reduce the number of existing air defence CF-100 squadrons perhaps by one half; in any event the CF-100's would not be effective even in this role of recognition and identification, because they would not be able to fly high enough or fast enough.

In certain other aspects of our continental relationship with the United States—and it is unfortunate that they are all outside NATO—I believe we are tied to a greater extent than ever before in our history to United States plans, to United States control and to United States strategy. I think we should begin the process of reversing this position, as we do in the proposals which we make in this debate, and that we should do our best to ensure that close co-operation,

which is essential, does not mean being swallowed up by the Pentagon, which is not.

I do not want that to be interpreted to mean that we should repudiate the obligation of our membership in the western alliance. It does not mean either, of course, that we can ignore the compulsions of geography or the requirements of collective security in a dangerous, cold war world. We must co-operate with the United States, but there is no reason why we should not re-examine the nature of our co-operation, the basis of that co-operation, and divert that co-operation into ways which we believe to be sensible for us without being too sensitive or touchy about our own separate rights and sovereignty and all that kind of thing.

If, for instance, the United States needs, and if it can satisfy us that the need is justified, certain facilities on Canadian soil, and if we cannot or do not desire for reasons which seem good to us to ourselves provide these facilities and the services that go with them, then I do not think we should refuse to make the necessary political agreement with our neighbour, as has been done in the United Kingdom. But they should be in clear terms which will always recognize our own sovereign right of ultimate control.

If such an agreement were to extend to the use of air bases in Canada, as is the case in the United Kingdom, although the agreement there is under reconsideration at the present time, I suggest that any such agreement for the use of Canadian bases, and I think this is important, should only be on the condition that we have complete information about every United States flight from every such Canadian base, and that we have a veto over every such flight off that base if we consider it necessary on policy grounds.

I will say only a word about the army side of our defence policy, but it is a word which I think underlines something of importance, and I have no doubt that the minister will agree with me in principle. We should make a brigade in Canada air transportable and trained and equipped for the United Nations and other international peace and police force purposes. On this subject may I say that I know arrangements have been made, I think as effectively in this country as in any other country that is a member of the United Nations, so that forces can be made available for the kind of United Nations police activity which is now going on in the Congo. But surely the experience of the Suez and now the experience of the Congo have shown that what seem to be required most from us for these purposes are not combatant but technical, administrative and staff troops. While I understand that we have a battalion trained and ready now and equipped with transport for this kind of duty, it is not our battalion which has been called on twice but rather specialized troops, signallers, administrative troops and so on. I think it would be wise for us to extend the commitments we have undertaken to the training and equipping of other Canadian troops than a battalion for this kind of service, and that we should have men trained and ready for this kind of work and equipped with the planes to transport them wherever they may be needed. No nuclear weapons are needed for this kind of important and constructive peace operation.

Then, Mr. Chairman, I wish to say a word about the necessity of modernizing the equipment of our forces for the jobs they have to do, what they have to do at present and what they may have to do in the future. My colleague the hon. member for Trinity had a good deal to say about this. I think the evidence shows that we are not in a very good situation with regard to equipment. The CF-100 is only one example. The CF-100's are kept now merely because the government has not yet been able to make up its mind what to do with them and how to replace them, though they are admittedly obsolete for the kind of interception work which would be required of them if war broke out. How are we going to re-equip our forces with modern equipment from existing appropriations so they can do the kind of job we may want them to do, and in view of the commitments for fixed expenditures with respect to other things than equipment? A well informed Canadian commentator on defence policy, Wing Commander Gellner, writing in *Saturday Night* on February 20 quoted the minister as saying:

> 1960 is perhaps the year in which we could pause in our defence spending for armaments.

If the minister was reported correctly I suppose he meant equipment, modernization and that kind of thing. I do not think the minister would agree, in view of what he said yesterday, that there is much likelihood of a pause in that regard in the immediate future. Perhaps he was not accurately quoted, although that is the sentence that appears in the article. In any event, whether or not we are pausing, and I do not believe we are pausing in that field, how is the minister going to find the resources for this essential work of re-equipment when so much of the present appropriation goes toward personnel costs, operations and maintenance, so much indeed that comparatively little is now left over for the new equipment which is essential?

If one looks at the estimates for last year, one sees that under category 1, personnel, there is a figure of $561,491,000. Under category 2, operation and maintenance, the figure is $631,935,000; and under category 3, equipment, the figure is $360,237,000. The first two categories, personnel and operation and maintenance, are up over any year since 1953-54, and the last category, equipment, is down from any year during that period. There is a reduction of $54,000 from last year and a reduction of $405,000 from 1953-54.

It is going to be difficult—perhaps the minister may say it is impossible—to reduce the amounts to be spent on the first two categories. Indeed, under recent conditions, with pay increases and all that kind of thing, they are going up. So with the same budget the amount available for equipment goes down at a time when so much new equipment is essential if we are to continue our present policy and discharge our obligations under it.

Indeed, the present trend, with the first two categories going up and the third category going down, means, if you project that trend, that by 1964-65 we shall be spending almost $700 million on personnel costs and $800 million on operation and maintenance, which would leave practically nothing for equipment. In an editorial in *Saturday Night* of February 20, the date on which the article appeared to which I have referred, there is the following comment:

> If we are going to cut down our defence spending and apportion the money as we have been doing for the past six years, by 1965 we shall have the best fed, best housed, best paid defence force in the world, with not one modern weapon, plane or ship for them to use.

Perhaps that is a little exaggerated.

Mr. Pearkes: Who said that?

Mr. Lambert: What is the answer? Let us hear it.

Mr. Pearson: I am trying to give an answer by suggesting that we should make a drastic re-examination of present defence policies. Perhaps there will be ways in which money can be saved or, if not, perhaps a reapportionment of the existing appropriations can be brought about in some way. That is the responsibility of the government, which has all the information at its disposal.

I will make one positive suggestion to the minister in regard to a reorganization of the forces which might save some money. I suggest that the present circumstances of defence require a new look, not so much a new look but some action to ensure that our defence forces operate as an integral machine. This is a matter which was very dear to the heart of the minister when he was on this side, and it should be proceeded with now for the sake of both efficiency and economy. I suggest that the present set-up is out of date, each service with a large overhead and operating independently, with a chiefs of staff committee presided over by a chairman. This is no reflection on the personnel of our present organization or the way it has been conducted because the minister knows, as I know, how efficiently that has been done by the chiefs of staff and by the chairman whose services—I am thinking of General Foulkes—have been invaluable over the years in the operation of this particular piece of defence organization.

I suggest to the minister that the time has come to change this organization for one chief of staff whose authority would extend to the three services, army, navy and air force, and perhaps defence research. He would have the chief responsibility for the planning and implementing of defence policy submitted to him by the government. In that kind of set-up the present chief of staff would be replaced by commanders for each of the services who would not be responsible for policy recommendations but for carrying out the policies and plans referred to them by, if I may call him that, the supreme chief of staff.

I think there should be also a complete integration of the administration of the three services along the lines the minister used to put forward. I suggest to the minister also that he should appoint a committee of three representative retired service officers for each of the services, perhaps ex-chiefs of staff, to make recommendations on how this integration of the three services could most speedily and effectively be brought about.

There is only one other aspect of defence about which I want to talk at this time, Mr. Chairman, and that is our position in NATO, the Canadian forces in NATO, a matter of importance and, I know, of difficulty and complexity. In my view, the situation here is not any more satisfactory than it is in respect of this continent. We are told that a re-examination is now going on of the role of NATO in the years ahead. I agree, as one who has had some experience with these things and knows something about this kind of examination, that it would not be wise to make any final determination at this time—by "final determination" I mean a final determination of our views on this side of Canada's place in NATO defence policy—until that examination is complete and we know the result of it. Pending such an examination, which I hope will be completed soon, it seems to me quite obvious that the time

has come for NATO to insist on genuine collective defence arrangements, all-out and all-embracing, in which the European members will play their full part.

When I say that, I recall to the committee the words—which I must say shocked me at the time—of the Secretary of State for External Affairs to the effect that only two members of NATO were fulfilling their commitments, Canada and the United States. I think the minister was questioned about that in the defence committee, but he did not express any particular opinion one way or the other. If this is the case, and that is what the Secretary of State for External Affairs says, then surely the time has come when all members of NATO should fulfil the commitments they have undertaken, and that NATO should become a genuine collective security organization with balanced collective forces, toward the maintenance of which each member should make its appropriate contribution. If that is not done, then NATO is not likely to survive and we know that could be a major tragedy.

I believe in particular, and this matter has been referred to, that NATO must now become strong enough to provide a non-nuclear deterrent. In the operation of that non-nuclear deterrent—deterrent by conventional weapons—I myself do not shrink from the necessity of examining the specific implications of that in considering some form of disengagement. This is something that a lot of highly qualified and highly respectable people have been considering over the years, including Sir Anthony Eden. It is almost 11 years now, I think that NATO was formed. The shield forces and their organization were developed on the assumption that the "sword" was the nuclear retaliatory force, under non-NATO control, and that it was all-powerful, which it was at that time.

This situation changed radically and finally when the Soviet union developed the capability for nuclear retaliation. In some respects at least, perhaps in missile capability, the capacity of the Soviet union is possibly greater than that of the United States. So we have these two giants facing each other with a retaliatory capacity that can destroy them both, and destroy the world in the process. That is what we call the nuclear deterrent. I am not suggesting we dispose of it because, in the present circumstances, it is certainly a foundation for that kind of uneasy peace which we have. If it did not exist we would be in a far worse condition than we are today.

However, that development, the development of Soviet nuclear retaliatory forces, must have had or certainly should have had a fundamental effect on NATO strategy. It is on the basis of this development that I believe that the strategical shield should be brought under NATO; or if that is not possible—the minister does not need to tell me how difficult that would be to bring about in Washington, because I know—then should NATO not try to free itself to the maximum possible extent from reliance on that nuclear retaliatory force which is outside its control? The best solution would be a combination of both of those. I hope, therefore, that in—

Mr. Jones: I wonder if the Leader of the Opposition could amplify that last remark, that NATO should free itself from the retaliatory force.

Mr. Pearson: Yes. I was just going to try to do that, though I do not want to spend too much time on it because I have already taken more time than I should have and the committee has been generous. I hope NATO will do what it can to free itself from reliance to such a great extent on these retaliatory forces of the United States by building up its own NATO deterrent forces which will mean, as I see it, not so much reliance on tactical nuclear weapons as on the development of those conventional forces, which the NATO experts certainly had in mind when they set the goals at Lisbon some years back. I am not suggesting that the NATO European countries will be able to meet those goals now. I suspect they cannot, but they can do a good deal more in that direction than they have done.

However, they are not likely to do this if their reliance is mainly on two things, the United States deterrent retaliatory force, which is outside their control but which is the effective deterrent at the moment, or if they rely too much on tactical nuclear weapons inside NATO forces, which may seem to be a fairly easy way out for them and relieve them from some of the responsibility of building up conventional forces.

Mr. Jones: Are you suggesting that NATO should develop this type of deterrent, or any nuclear deterrent?

Mr. Pearson: No, I am not suggesting that NATO should develop anything in the nature of a strategic retaliatory force. I am suggesting that NATO—and of course I am not alone in this suggestion; every commentator on NATO military tactics and strategy is talking about it now—should develop a conventional force deterrent, which would do two things. It would cause any possible aggressor to hesitate before starting what he thought might be a local war. It might almost be a temptation to start a local aggression, if he hoped he could get away with it because the only retaliation against it might be the use of the strategic deterrent, and the President of

the United States in Washington is going to be very careful before he puts that into operation, because it means world war.

If NATO had a stronger conventional force it might serve as a very useful deterrent in that sense, I also hope that this emphasis—if that is the right word—on NATO tactical nuclear weapons will not be at the expense of building up the NATO conventional force. I am encouraged in that view by the fact that it is becomingly increasingly clear from what I read, including the most recent book by a great military expert, Captain Liddell Hart, that there is no security in these nuclear weapons—I am talking of tactical nuclear weapons—which would compensate for the danger and the possible general devastation which is inherent in their use.

I mean by that, and the minister himself has expressed this view, that if small tactical nuclear weapons are used there is the inescapable probability—some people would call it the inescapable certainty—of a deadly progression, a chain reaction from a nuclear bullet right through to a hydrogen bomb, which would destroy us all.

The minister quoted something I said in July, 1959, as to the use of these tactical nuclear weapons in NATO. I confess to him that I have changed my mind since I made that statement. I have changed my mind for three reasons. One is that I am impressed by the fact that tactical nuclear weapons will not give us the amount of tactical security which I thought might be possible then; also because I am afraid the concentration of tactical nuclear weapons under United States control—they may be given to Germany at the same time and be in German hands, but under United States control—may mean the European states will be less likely to build up defence forces which those European countries should perhaps have. Also, I am impressed by the fact that the use of these tactical nuclear weapons, even on the smallest scale, might result in radio fall-out, which would be disastrous. I have had no definite final advice on that, but I come to that conclusion in the light of the information I have been able to gather.

I confess that my views have changed since last July on the use of tactical weapons by NATO.

Mr. Jones: If I understand your suggestion correctly, this would involve increased manpower and, I suppose, Canadian manpower?

Mr. Pearson: No, it would not, so far as Canada is concerned. In my view I am not sure that a very great increase in manpower would be involved, but I will come to that later. I say in any event that Canada should categorically reject the proposition that her NATO forces should be equipped with nuclear weapons of any kind indeed; not only Canadian NATO forces, but all NATO forces should reject this proposition that there should be nuclear weapons of any kind under exclusive national control, whether it is the control of the country using them—which might be France, which has them now or will have them—or the control of another country supplying them. No NATO forces should be equipped with tactical nuclear weapons at all in those circumstances. I have not come out finally and unconditionally against such prohibition, because this re-examination is going on. But if NATO forces are to be equipped with tactical nuclear weapons at all, until some international agreement is reached outlawing these weapons completely, I suggest that this should be done only as the result of a collective NATO decision taken on the highest political level of the council, a decision which would also provide for collective NATO control and use. I can appreciate the minister's position at once by saying that I also know how difficult that will be. Has there been any such decision? Apparently not, because the minister would only say, when asked about this in the committee—and I am not criticizing him; perhaps he was not in a position to give any further information—and I quote from page 314:

> I think, in general principle, the possible use of atomic weapons, in the event of attack, has been recognized by the NATO council.

That is a very careful statement, which indicates that no final decision has yet been made. Until such a final decision has been made by NATO on the highest political level, in my view Canada should not even consider equipping her European NATO forces with any kind of nuclear weapon.

If the NATO council does not take any decision on this matter, or if it takes a decision which we would consider unsatisfactory, then the big decision would have to be made by Canada whether her NATO forces could play a useful and appropriate role with conventional arms alone, or whether they should not be given some other defence assignment which would be more effective in the collective and international effort to safeguard and promote security.

Whatever that decision may ultimately be, I agree 100 per cent with what the hon. member for Trinity said yesterday, that we should not have our air division in Europe equipped with aircraft, the CF-104, carrying, not under collective control but under United States control, what has been referred to as a baby nuclear bomb in a strike attack role.

Mr. Chairman, whatever the ultimate decision by NATO about nuclear weapons, and

whatever the Canadian response to that decision—and I know that political as well as military considerations are involved in that response—I think, and I repeat, that we should not have our forces in Europe equipped with nuclear weapons until it is made.

May I say in conclusion, Mr. Chairman, that it will be clear from what I have already said that I am advocating a new approach in the field of defence policy, a new orientation, a change of direction. I am advocating not a weakening, as I see it, but a strengthening of Canada's defence policy and of its participation in the search for an enduring peace which, after all, is the only defence policy that really means anything in the long run. If we lose the peace and slide into nuclear war—because we are more likely to slide into nuclear war than to get into it in any other way—then no other form of defence is going to save us, essential though those forms may be at the present time.

I think this change of direction which I have mentioned should always have in mind the desirability of preparing our forces on land, on sea and in the air for international service, preferably under the United Nations, and getting out of nuclear armament completely, without getting out of our collective commitments. I think that is the best role for a middle power like Canada. I think it can be carried out without falling into any false illusions or neutralism or anything like that, and without defaulting on our commitments. I think that role will assist Canada in discharging an independent and constructive foreign policy, which the government talks a good deal about these days.

The minister accused us last night of suggesting nothing but scrap. Scrap, scrap, scrap; that was all, he said. I suggest to the minister that the government would be well advised to scrap its present defence policy for something better along the lines we have proposed, or along better lines if the minister can find better lines. If the government does scrap its present policy, or lack of policy, if it does disappear I suggest that it will disappear unwept, unhonoured and unsung.

Mr. Lambert: Mr. Chairman, we have listened with considerable interest to the remarks of the Leader of the Opposition, and may I say that I found his remarks in the nature of an anticlimax. Some days ago we heard with great fanfare—I do not know how this newspaper got hold of the idea—that the Liberal party was going to give birth to a brave new policy in the field of national defence, and there the items were spelled out. Then yesterday the hon. member for Trinity was the victim of one of those unfortunate incidents where a great deal of fireworks were set up and somebody set the match to them long before they should have gone off, so that all the hon. member had left was a sort of repetition of dampened squibs.

Today we have heard what I would like to call a reasoned speech by the Leader of the Opposition, but I think my first impressions of the Liberal national defence policy still remain the same; that it has unfortunately become a passenger on the roller coaster of inconsistency. The Leader of the Opposition said that while the country approves of the commitments—although not entirely; I will consider what the hon. member for Vancouver East said a little later in my remarks—the press and other commentators are critical of the government defence policy.

Mr. Chairman, I would suggest to hon. members that criticism to be valid must be based on sound information, not on glosses upon glosses as we so often see in the daily press, where editorials are based on newspaper reports which are completely contrary to the information, not intentionally but because of the failure of the human being to be able to take and interpret facts as they stand and as they are presented.

We also see cartoons in the press. Let me put it this way. I am not trying to be arrogant, but each of us remembers that as a young boy we were wont to play general on the living room floor with lead soldiers. I think unfortunately all of us still have an innate urge to be the general. You can go any place, whether it be around a barbecue, in a Legion or in a militia mess, and you will get solid sounding ideas on national defence and how it should be run.

Those opinions may be all right providing they are based upon sound information, and this does not mean that the government has a monopoly on sound judgment. On the other hand, it has the better opportunity to come to the right conclusion, because after all the opinions of the government with respect to national defence policy are based on the advice of service personnel. The Leader of the Opposition was quite correct when he said that he did not wish to criticize the service personnel when he was criticizing national defence policy; but that criticism is implicit, because otherwise he must say that defence policy is entirely divorced from the advice of service personnel.

Mr. Pearson: Does the government always take that advice?

Mr. Lambert: No, it does not; but on the other hand, to roundly criticize this government's policy is to roundly criticize those who advise.

Mr. Hellyer: The judgment of the government on the basis of the advice they do not take.

Mr. Lambert: You are on the horns of that dilemma. As a general comment on the Liberal policy I would say it seems to me that the fewer facts they have, the further out on a limb they go, and that applies generally to a lot of other defence critics.

Now with respect to some comments which the Leader of the Opposition made about the defence committee. I defy him to show where policy was refused discussion.

Mr. Pearson: I have read the excerpts.

Mr. Lambert: They are isolated from the context, and if the hon. member for Trinity had wished he could have pursued his questioning. The type of information you elicit depends on the type of questioning conducted. Because the answers do not come out as the questioner wishes is no reason to say he is prevented from getting information. I say quite readily that in too many cases questions were predicated with flat statements of criticism prejudging the issue.

How, then, can you judge whether the questions were valid or invalid? How, then, can you say whether you were denied information? The fact that a thing was not discussed does not mean that it was prevented from being discussed. After all, because a man feels that his question is valid, it does not mean that is necessarily so; and for someone simply to take a question out of thin air and throw it out does not mean that it is a valid question. Other people form a judgment about that, too, and the questioner has not a monopoly of judgment as to the validity of his question.

Mr. Carter: Would the hon. member permit a question?

Mr. Lambert: Would you mind? I have only 30 minutes. So far as the expert witnesses are concerned, there is a good deal of opinion on both sides. Some people feel you can bring in any witness. I ask, whom? Are you going to bring in former chiefs of staff? Are you going to bring in this or that person? When the suggestion is made about the numbers, I ask how far you would go. I am sure the hon. member for Trinity, when he made the suggestion in committee, did so without the mature reflection that he would have given the question later. But the suggestion that the number of witnesses called should be based upon the strength of the political parties on that committee was greeted by all save the members of the hon. gentleman's party with the scorn it deserved. Also, the name of one witness which had been bandied about—perhaps I should say, rather, the name of one gentleman who had been suggested as a witness—was that of a retired member of the armed services who is critical not only of the defence policy of this administration but of the defence policy of the previous administration, and when the defence committee decided not to call witnesses there appears to have been a lot of hullabaloo in the press. I should like to read a letter which was written by that gentleman—

Mr. Winch: In the light of the fact that this person was not called, would the hon. member not say the committee was denied the right to call witnesses?

Mr. Lambert: But the letter indicates that the committee was right in its judgment.

Mr. Winch: Have you read the letter which the same man wrote two days later?

Mr. Lambert: I did not see any other letter.

Mr. Winch: If we were not allowed to call witnesses, why should the hon. member now be raising the question of why we were not allowed to do so? The decision was that we were not allowed to call witnesses.

Mr. Lambert: I will merely paraphrase this. I do not want to read the whole of the letter, but this letter which appeared in the Ottawa *Journal* on July 20, which I will put on the record if anyone wishes, indicated that the committee was right in its judgment in not inviting witnesses to come before it. I will not go into all the reasoning behind this letter, but here is one who was primarily suggested as a witness indicating that he thought it was wrong. I can only go by what he writes.

Mr. Winch: The hon. member will agree that if he enters into details, this discussion may have to be prolonged, and we may have to consider why we were denied the right to call witnesses.

Mr. Lambert: There was no denial of any right to call witnesses. The committee in its judgment simply decided that witnesses should not be called.

Mr. Winch: The opposition was denied the right to call any witnesses.

Mr. Lambert: Well, here is the attitude of the opposition on this committee and on other

committees; unless the game is played according to their rules they feel it should not be played at all and that everyone should go home.

Mr. Winch: Did I agree with that?

Mr. Lambert: No, I did not mention the hon. member's name. I am speaking about the official opposition and their attitude. The hon. member for Vancouver East did not criticize the conduct of the committee and its members. I am referring to the speech which was made this morning.

In so far as the other remarks of the Leader of the Opposition are concerned I think I will leave them, for the most part, to others. But briefly I maintain that the hon. gentleman is being inconsistent in his references to continental defence when he tells us we should get out of SAGE and Bomarc and that we must not build any more radar gap fillers, that we must buy some other type of United States interceptor aircraft, and so on. How does the hon. gentleman suggest that these aircraft and the ones which we now have could be used? Are we to have flight commanders go out in front and wig-wag with flags so as to lead these people? There is no modern aircraft of an efficient type for these purposes which can be used without a ground environment system or, if subsequent developments are sufficiently advanced, without its own radar equipment.

Again, with regard to this question of the deterrent it strikes me that both the Liberal party and the C.C.F. have fallen into illogical ways of thought—

Mr. Winch: Are you talking about defence or deterrence?

Mr. Lambert: —in advocating that there should be no defence here in Canada; no air defence, no Bomarc. It is the same as saying that two boxers each possessing a lethal right hand should stand facing each other without assuming a defensive position. Part of the deterrent when two men are fighting is not only the lethal right hand but the fact that one man, after launching his blow, might not be able to land it because of the defence, when the blow would be returned. The U.S.S.R. and the United States each stands, in a manner of speaking, with a lethal right hand. Part of the deterrent is that an attack may not get through.

Mr. Winch: So this is a deterrent, not a defence.

Mr. Lambert: The defence is part of the deterrent. The two form an integral whole. You cannot get away from it; you must protect yourself, otherwise you are wide open.

Mr. Winch: How does Canada do that?

Mr. Lambert: We have heard a lot of talk about buffer zones. The trouble is, what exactly nowadays is a buffer zone? Is it 40 miles, or 500 miles, or a whole continent? Moreover, in the light of the capability of ICBM missiles is there such a thing as a buffer zone?

Mr. Winch: Yes; Canada.

Mr. Lambert: In the case of long range strategic bombers that are refuelled in the air, can such things as buffer zones any longer exist?

Mr. Winch: As a deterrent, yes.

Mr. Lambert: If you want to talk about Canada as a buffer zone in that it has no offensive weapon—and that is what exists today—there are no offensive weapons to be launched from Canada; therefore, in so far as a program of offence is concerned, Canada is a buffer zone.

Mr. Winch: Then the hon. member agrees with me.

Mr. Lambert: But why suggest that there should be a change? Hon. members opposite are suggesting a change. They are suggesting that there should be a buffer zone on a defensive basis; they would take out the Bomarc, although the Bomarc is not an offensive weapon but a defensive weapon right here in North America.

Mr. Winch: Against what?

Mr. Lambert: Against forces taking the offensive over this continent.

Mr. Winch: How do you know?

Some hon. Members: Order.

Mr. Lambert: I will continue, now, to deal with what the hon. gentleman had to say yesterday. I am referring, now, to the hon. member for Vancouver East. He said there was no defence against nuclear missiles such as the ICBM. But surely that is based on an entirely false premise. Today there is no defence, but who knows what may be produced next year, or the year after? One has only to go back into history to make that clear. What about the invention of gunpowder, the rifle, the machine gun, the tank, the submarine? What about the development of the long distance aircraft? It is all relative to the time in which one lives. It is the development of science which has provided the necessary defences to these new military weapons as they arise. But now there seems to be an underlying premise that somebody has erected a great wall in front of defence and that the wall has been knocked down with respect to offence. Just go back in history and you will find this interchange.

Let us consider an example. I shall not have to go back very far into history to find one. If at the beginning of world war II in 1939 the hon. gentleman had contemplated bombing attacks of the strength and power of those of the spring of 1945, or late 1944, the kind that I saw and heard, he would have run if he had followed the same philosophy that he is advocating today, because the two were so different in their intensity, the one of the horse and buggy age and the other of the atomic energy age; yet in the space of five years the defence was able to catch up with it. The defence caught up with the V-1; yet if we had contemplated the V-1 in 1939, what would we have done? I ask the hon. member. He remembers the 1930's and all the talk about gas warfare. The Sunday supplements, the magazines, the commentators, everybody said that land armies were finished; navies were finished, and you would let the wind do it. Gas shells would be used. Not one gas shell was used during world war II. We developed defensive measures against gas in order to cope with it.

Mr. Winch: Is that a question?

Mr. Lambert: Just a moment. This is not a two-way discussion.

The Deputy Chairman: Order. The hon. member who has the floor did not indicate that he would accept the question.

Mr. Winch: He does not dare.

Mr. Lambert: I would say that the underlying principle of the policy advocated by the hon. member is unfortunately a trap of fear, fear of the nuclear weapon, the inevitability of using the nuclear weapon. The hon. gentleman will remember the 1930's with respect to gas. He will recall what was said about gas during the 1930's and it is only a translation into today. I will not minimize that today's weapons are more terrible and more terrifying. The weapons of today are much more terrifying than those of the past, but the position is relative. I will say that in the situation in which we are today we may be in a stalemate of nuclear horror, and if that stalemate will remain then we can be thankful, in the same way that in the 1930's the stalemate respecting gas prevented its use during 1939 to 1945.

The C.C.F. says that logic insists that the basic aim of our national defence policy must be to prevent war. My only quarrel is that this does not go far enough. The basic aim of the whole government policy is to prevent war and preserve peace. The policy of national defence is not only to prevent war; that is the whole government policy. War cannot be limited to defence policy. It is only the question of degree that I am criticizing here. I am not in basic disagreement but only in the matter of degree.

I seem to feel, Mr. Chairman, that in the context of my remarks here I may be unfair to the hon. member. My reaction is that the C.C.F. seems to feel that it has or should have a monopoly on the desire for peace.

Mr. Winch: That is unfair.

Mr. Lambert: Well—

Mr. Winch: We all want peace.

Mr. Lambert: As I say, perhaps I am unfair to the hon. member, but I get that impression outside from many members of the C.C.F. party, and frankly I think it is entirely wrong. I think the hon. member for Vancouver East will admit that the government, the Conservatives, are just as sincere as anyone else in the desire for peace.

Mr. Winch: I made that very clear, Mr. Chairman. I was referring to the approach to policy. In so far as the desire is concerned we are all in agreement; I said that three times.

The Deputy Chairman: Order.

Mr. Lambert: In so far as NATO reliance on heavy weapons and on nuclear weapons on the continent of Europe is concerned, as indicated by the hon. member for Vancouver East and the Leader of the Opposition this morning, they admitted there was a superiority of Soviet forces—we will call them eastern forces—on the continent of Europe, and that we should get out of the business of relying on nuclear weapons or, as the Leader of the Opposition said, put more emphasis on a non-nuclear deterrent. If you are going to even up the forces in Europe it must mean that you are going to develop your conventional arms to a greater extent and you must have more manpower. If Canada is to do its share in NATO, does this then mean that Canada must increase its manpower commitments in Europe? Does Canada have to increase its manpower commitments to NATO? If so, is not that the consequence? Yet, in paragraph No. 8 at page 7577 of *Hansard* the hon. member for Vancouver East would have us believe that the C.C.F. says we should cut down our manpower, and I would say that includes our NATO commitments.

Mr. Winch: Will the hon. member read the entire paragraph?

The Deputy Chairman: Order.

Mr. Lambert: It says the armed forces should be reduced.

The Deputy Chairman: We cannot have two members speaking at the same time.

Mr. Winch: He made the statement; I asked whether he would read the entire paragraph.

The Deputy Chairman: The hon. member can make his speech when he is recognized by the Chair.

Mr. Lambert: The paragraph reads in part:

> Our armed forces should be reduced to those required for the radar warning line, for training and administering our NATO forces—

Mr. Winch: Go on.

Mr. Lambert: I continue:

> —for basic civil defence military requirements in the event of thermonuclear attack, and for United Nations world police requirements.

These are different things. What I am asking about is this. If there is to be a balancing of the forces in Europe by having greater emphasis put on the use by NATO of non-nuclear deterrents, does this not imply an increase in manpower? We are using nuclear deterrents at the present time in order to effect savings in manpower so as to equate the balance between the vastly superior numbers of the eastern forces and the western forces. The only other way of increasing the conventional forces is through manpower and conventional weapons. There is an inconsistency there.

The hon. member said we should get out of NORAD because NORAD would not deal with all the attackers coming through. I ask him whether that would have been a reason for abolishing the fighter command in Great Britain in 1939 and 1940 because some of the attacking planes got through. Of course not.

Mr. Winch: Are you asking me that question?

Mr. Lambert: I would think that NORAD is a part of the deterrent. We went through that before but NORAD is an integral part of the deterrent. Therefore I submit that the reasoning of the hon. member with respect to his proposition that we should get out of NORAD falls to the ground.

There is one point I should like to make with regard to what the Leader of the Opposition said. He agrees with the commitments that the armed forces have, but says that here in Canada we should have a whole brigade completely airborne and available for use by the United Nations. No one has suggested the cost of doing this. No one has suggested the cost of making provision for 5,000 men to be simultaneously airborne, not airlifted over a period of time but simultaneously airborne. Yesterday the hon. member for Trinity seemed to imply that this force would be used regularly. What was he hoping for? That we would have flare-ups in all parts of the world every six months or every year so that we could utilize these forces and all this equipment? That was the implication of his remarks.

The Deputy Chairman: Order. I must advise the hon. member that his time has expired.

Mr. Carter: I think we would like the hon. member to continue his address.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member to continue?

Some hon. Members: Agreed.

Mr. Lambert: The Leader of the Opposition indicated that our forces should be armed with modern weapons, but there was no suggestion as to the cost or to what extent this should be done. If it is assumed that we are going to keep the defence budget at the same level, I suggest there are two ways of buying more weapons. Either there will have to be a reduction of personnel or a saving of money in pay and allowances. After all, in the past year it took approximately $700 million to cover pay and allowances. In fact, pay and allowances and operations and maintenance represent 70 per cent of the defence budget at the present time, and that proportion is increasing yearly. As I said, there will either have to be a reduction of personnel or a reduction in pay and allowances, what I call the housekeeping costs of national defence.

So far as new equipment is concerned, have members of the opposition stopped for one moment to figure out just what the cost would be of all the equipment they have advocated should be obtained? The Minister of National Defence would be a most happy man to be able to obtain every necessary piece of new, efficient equipment, but are the Canadian taxpayers prepared to assume that burden, having in mind the cost of maintaining our forces? We can speak pretty glibly about this whole matter, but the conclusions are there. If you are going to have all these weapons, if you are going to have our forces fulfil so many roles, and people are pretty glib about that, then the Canadian people are going to have to pay for it. There is no other conclusion. The Leader of the Opposition spoke about an integration of the forces under one chief of staff, and suggested that the administrative staffs should be combined. However, he did not indicate whether this would effect a reduction in manpower, which is the only way you are going to save money.

There are a lot of other remarks I should have liked to make, but I feel that some of my colleagues and certainly the minister will desire an opportunity to answer the other points that have arisen.

Mr. Winch: Mr. Chairman, I listened with a great deal of interest to the remarks made by the previous speaker. I do not know how long the discussion of item 217, the first item, will continue. I think it is understood that as the salary of the Minister of National Defence is statutory the only possibility of discussing policy comes under this vote.

I should like to make my position very clear. As I explained yesterday, I do not agree with the principle of the Bomarc expenditures. I do not agree with the principle of continuing the NORAD alliance. I do not believe our defence policy is such as to indicate an understanding of the difference between wars of the past and our present situation, in which we face the possibility of a thermonuclear conflict. I put forward my belief last night that we require a defence force in Canada, and that expenditures are necessary under the Department of National Defence. However, I do not agree with the present policies. You will understand, Mr. Chairman, that I am in a difficult position, in that I believe that a member of the House of Commons should have the courage of his convictions, as I hope I always will have. It is almost impossible to put forward a separate motion to make my position clear that I want to maintain the army, navy and air force under certain policies and that at the same time I object to present government policy as it is generally applied and with particular reference to the Bomarc project and NORAD.

I am going to take what I think is the only proper course I can take in order to make it absolutely clear, as I tried to do last night, that I feel that Canadian armed forces can make a major contribution to NATO and to the United Nations as a police force and also, God help us, in the eventuality of a thermonuclear attack on Canada. I believe I made my position quite clear in the special committee, and what I have done in that committee I certainly will follow up in the house today. I only ask that members of the house will understand and that the press will also understand, because they report the proceedings of the house to the people of Canada. I cannot see any other way of expressing my support for certain requirements of the Canadian armed forces and Canadian defence, but I must object somehow, very definitely, to what I think is wrong in the government's defence policy. I refer to my objection to Bomarc and my objection to NORAD. I find, after much study, that the only way we can express an objection to policy is under the administration item, vote 217.

I am therefore going to move, as a policy position and to express my objection to Bomarc and NORAD—I know the minister will understand what I am saying and why I put it this way—and to show that I have the courage of my convictions:

That vote 217, departmental administration, be reduced from $3,212,477 to the sum of $1.

Mr. Pearkes: If the vote for administration, which covers all the activities of national defence hearquarters and the administration of the forces, were to be reduced to $1, there would be complete chaos in the administration of the department. Surely if the hon. gentleman wishes to move for a reduction in the spending on Bomarc he should do so under the vote dealing with the Royal Canadian Air Force, vote 225 for the construction or acquisition of buildings and major equipment. This vote provides the funds for the acquisition of the Bomarc sites and the construction of the Bomarc installations. If this amendment were to carry it would remove all the machinery for providing what the hon. member himself says is required in connection with our contributions to the United Nations effort.

Mr. Winch: I am most sorry that the Minister of National Defence spoke on the amendment in this way. I thought I made it very clear what my position was. I have known the minister for so many years and have the highest regard for him. I shall never forget those terrible days when he was the G.O.C., western command, and I was leader of the opposition in British Columbia. We, I think, came to respect each other. Why the minister now completely misinterprets what I said, I cannot understand. I thought, Mr. Chairman, I made it very clear, but apparently I have to repeat what I said.

Mr. Chambers: Did you expect him to accept the motion?

Mr. Winch: No, but I did expect a distinguished soldier with whom I had worked for so many years to know my sincerity in connection with these matters. I said, and I want to repeat that only under the administration item can you register your opposition to defence policy. Defence policy includes the Bomarc. I am fully aware of the fact that there is an item relating to the Bomarc, and in the special committee on defence expenditure I moved the reduction of that amount. That motion was defeated by 4 to 3 or 5 to 4, I cannot remember which. The minister knows that in that committee I

wanted to move to wipe out NORAD, and it was the minister himself who pointed out that there was no special part of the defence estimates under which that could be done.

As I said, I thought I made myself completely clear. I must say I am almost heartbroken after hearing the minister say what he did, because in moving this amendment I did not want to wipe out what I think is the responsibility of the defence department toward the army, navy and air force of Canada. Last night I made it clear that I believe there is a definite responsibility, and I dealt with it, point by point, under 11 headings.

I have said that I want to move to reduce this administration item to $1 to register my objection to the policy of the government, to Bomarc and to NORAD. Am I asking too much, Mr. Chairman, to have the Minister of National Defence accept the manner in which I am trying to present my objection and understand the basis upon which it is made, as well as the fact that I recognized last night the position and responsibility of Canada in so far as the armed forces are concerned? Please, sir, do not misunderstand this amendment; it is a policy amendment.

Mr. Pearkes: I should like to assure the hon. member that in no way do I question his sincerity in connection with this particular amendment. While there has always been a lot of leeway under the first item for discussion in committee, when it comes to a question of how the money which is in this vote is allotted, you have only to turn to page 290 where the details of this vote are given to see the personnel employed under this particular vote and to realize that this amendment would mean the complete disruption of the whole of national defence headquarters. It would be impossible for the department to carry on if this vote were reduced to $1. If the hon. gentleman wishes to deal with Bomarc particularly—

Mr. Winch: And NORAD.

Mr. Pearkes: —the correct place to do that is under vote 225 which, as I pointed out, is related to the construction and acquisition of buildings and works.

Mr. Winch: What about NORAD?

Mr. Pearkes: It is quite impossible for us to accept this amendment, and we shall oppose it.

Mr. Winch: Where, under the minister's estimates would one vote against the principle of NORAD? I asked that of you, sir, in committee and you said there was no place where one could vote against NORAD because it is spread over so many things, so the only way I can do it is under the administration item.

Mr. MacInnis: I wonder if the hon. member would move such an amendment if there were any chance of it being accepted.

Mr. Winch: I have been asked a question, and I will tell the hon. member this. I moved this identical amendment in the committee on defence expenditures. I am not concerned with whether it goes through or is defeated. I am concerned with a conviction on principle, and any time I do not stand up for a principle, then I should no longer be a member of this house.

Mr. MacInnis: The question I put to the hon. member has not been answered.

The Deputy Chairman: Order; the Chair cannot make any member answer a question.

Mr. Hellyer: As the hon. member for Vancouver East has stated, this identical amendment was moved in the committee on defence expenditures. We did not support it at that time for reasons similar to those we have now. It is true that we in this party do not have any confidence in the policies being followed in respect of defence matters by the present government. We have made that very clear during the session, and particularly yesterday and today. We think there should be a complete re-examination and reorientation of Canada's defence strategy. We think we should cease following the present policy of building a defence against thermonuclear war, when those limited defences will be completely and utterly useless once that war has started. We should concentrate on the type of defence effort which is more realistic, toward preventing an all-out war breaking out.

We have made these suggestions to the minister; we have told him what our views are. We hope he will examine them when this debate is over, in retrospect, and find that they commend themselves to him, in order to put into effect a new look on defence administration in the very near future. The minister of course will continue to need the assistance of those advisers he has at present, who are paid for out of this vote.

In addition to that, the hon. member for Vancouver East has said this is not only a motion of want of confidence in the government's defence policy, but it is also a repudiation of the NORAD agreement. We said in our statements yesterday, and again today, that we are not prepared to do this under present circumstances, unless it could be

clearly shown that there would be no diminution whatsoever in the liaison between our forces and those of the United States in that case, and this has not been demonstrated up to the present time.

For that reason, Mr. Chairman, we would not be able to support the motion put forward by the hon. member for Vancouver East.

Amendment (Mr. Winch) negatived: Yeas, 4; nays, 39.

The Chairman: I declare the amendment lost.

Mr. Hellyer: We have given the minister another chance.

Mr. Jung: Mr. Chairman, I do not intend to unduly take up the time of this committee, but this afternoon we have heard the Leader of the Opposition and some others make reference to the need for Canadian technical personnel for situation such as the one we have today in the Congo. Without detracting in any way from the remarks of the Leader of the Opposition, I would like to say that for some time now I have been giving considerable thought to the creation of a unit which, for want of a better name, might be called either a Canadian task force for peace or a Canadian rescue force.

I would now like to elaborate on my suggestion. As a matter of fact, Mr. Chairman, I was prepared to place my suggestion before this committee last night, but as the Associate Minister of National Defence spoke at that time I have had to wait until this opportunity. There are a number of reasons for my suggestion. The first is that Canada has one army battalion earmarked for service with the United Nations. We are advised by the minister that there are sufficient aircraft to airlift this battalion, and that it is ready for instantaneous action.

The second reason is that Canadian soldiers have amassed extensive experience serving under the auspices of the United Nations, and our soldiers are generally accepted because they are not regarded as belonging to a major power.

The third reason, Mr. Chairman—and I think this is the most important reason—is that all emergencies do not necessarily call for military intervention. I have in mind examples like earthquakes, floods, epidemics and forest fires. I would therefore suggest that the minister consider the advisability of creating or earmarking another battalion which would be able to meet emergencies such as I have enumerated. If the minister feels that the earmarking or the creation of such a unit from the existing army establishments would strain our resources, then I suggest that the government create a volunteer civilian force on a stand-by basis. We now have a large number of civilians trained in rescue operations, and if we were to ask for volunteers we might get a favourable response.

I think we should send out a questionnaire to doctors, engineers, teachers, technicians and other skilled personnel and find out if we have in our midst the skilled personnel who would be willing to serve with such a Canadian group. This questionnaire would give us the names of persons whom we could contact quickly in an emergency. We need not have a large unit; but if the reaction were favourable we could bring these people together at the civil defence college at Arnprior, where they could be trained to serve as a unit. A shake-down period is not only valuable but necessary.

I believe, Mr. Chairman, that there has been a proven need for such a unit, which might also include elements of the navy and air force. As an example of that need, we can recall that in one of the two recent major earthquake disasters Canada made a generous contribution of food and supplied other services. Without detracting in any way from the generosity of the gift from the Canadian government, I wonder if our contribution might not have been better remembered if we had sent a unit which was capable of conducting rescue operations. Speaking for myself, if the members of my family were buried under the debris of an earthquake I would forever remember those who worked shoulder to shoulder with me in trying to rescue my family. At such a time trained rescue workers backed by the necessary equipment would be of great assistance instead of a supply of clothing and food, however important those items may be at a later stage of the rescue operations.

Our army personnel and certain selected civilians are now receiving excellent training in survival and rescue operations. I can speak from experience in this regard, because I believe I am the only member of parliament who has undertaken the army rescue course at the civil defence college at Arnprior. I suggest that such personnel who are trained and disciplined, but not carrying arms of any kind, would be able to demonstrate, particularly to those countries which are still in the process of development and which by coincidence happen to lie in zones subject to earthquakes and floods, that Canada is equally concerned with extending aid to those less fortunate and that our armed forces are capable of exercising themselves for a peaceful purpose.

As a matter of fact, I see that the Canadian army in its recruiting advertisements published in the newspapers claims that the

Canadian soldier is a soldier who works for peace. Another example of the useful role in which our armed forces can be used in peacetime was demonstrated recently when the minister authorized the use of R.C.A.F. aircraft to assist in fighting forest fires in British Columbia. I am sure hon. members will agree that some of the forest fires which we have had can properly be classed as national disasters, in terms of financial loss if not in terms of loss of life. It appears to me, Mr. Chairman, that there will always be a need to meet not only military emergencies but other major disasters springing from natural causes.

In recent years we have seen more and more nations apply for membership in the United Nations. Some of these nations are the very ones which require the services of a United Nations security force, but the United Nations has not yet been able to create a permanent United Nations security force. Some nations oppose the creation of this permanent security force because they fear that their sovereignty will be infringed upon if the security force is sent into their country by the United Nations. On the other hand, if the Canadian government were to offer to the United Nations a Canadian task force clearly earmarked to meet national emergencies and disasters of other than a military nature, and if this task force were given the opportunity to demonstrate its usefulness, it may very well be that in time a military security force could be formed; because those nations which now have reservations about the creation of a security force would have had demonstrated to them that the United Nations can, in its wisdom, dispatch forces which are not purely of military substance or purpose.

It might be said that there is no need for the creation of such a task force to meet national and international disasters because we have organizations like the international Red Cross. My answer would be that only governments can implement the kind of suggestion I have put forward. Only governments can move quickly in time of great emergency; only nations belong to the United Nations and these nations speak through their elected representatives. The international Red Cross, comprehensive though this organization might be, does not have facilities comparable to those which are available to governments, and that is why I suggest that the Canadian government take my suggestion under consideration.

There is a need to build up, particularly in the newly independent nations, a feeling of trust and confidence in the United Nations. So far the major military powers have dominated the United Nations security council because military situations have taken most of the attention of the council. Canada is not a major military power, and we are held in high regard not only because we are not a major military power but also because of our history as a country with a record of non-exploitation.

I suggest that since Canada enjoys such an excellent reputation, this country is in a very good position to make such a Canadian task force for peace available to the United Nations and thus indicate to the United Nations that there is yet another responsibility which it can assume.

The creation of such a task force under the aegis of the United Nations, non-military in nature and capable of moving quickly when national disaster strikes, could prove to the communist leaders and indeed to the whole world that the United Nations is humanitarian and that Canada particularly is one of those humanitarian nations belonging to the United Nations. I sincerely believe, Mr. Chairman, that the role of a humanitarian nation is one which is and has been worthy of Canada and all Canadians.

Mr. Carter: Mr. Chairman, when the minister introduced his estimates the day before yesterday he repeated a statement he made before the special committee on defence expenditures on June 1. Wednesday's statement is recorded at page 7522 of *Hansard*, and the earlier statement is reported on page 196 of the committee report. After outlining to the committee a number of Soviet cold war objectives the minister went on to say:

> The threat to our national security, and indeed the security of the entire free world, is not only military. It is also political, economic and psychological, and to cope successfully with this total threat, Canada must have a total strategy within which all elements, the military, the political, the economic and the psychological are closely co-ordinated and in proper balance.

It will be noted that ideological training, strategy and planning were not included among the integral parts of total strategy as stated by the minister. Mr. Khrushchev has told us on several occasions in the plainest possible language that he regards his ideology as the principal means of victory over the west. For example, in June, 1957 Mr. Khrushchev said:

> The communists will destroy capitalism not with nuclear weapons but through the spread of our ideology. We are as sure of this as we are that the sun will rise tomorrow. All we have to do is grease our ideology with butter.

And again in Budapest on December 1, 1959 Mr. Khrushchev said:

> We shall never forgo our ideological principles. We are waging and shall wage an implacable struggle for the Marxist-Leninist ideology, for the triumph of the ideals of communism.

When Mr. Khrushchev declares that manned bombers are obsolete, we believe

him; we take him at his own word, and we adjust our defence policies accordingly. Should we not, then, do the same when he tells us in such candid and unequivocal terms about his plans to conquer us with his ideology? When we can actually see those plans being implemented day by day throughout our nation, surely it is not only dangerous but sheer madness to ignore what is happening and refuse to take it seriously. My colleague the hon. member for Trinity has already made reference to the need for Canada to accept this challenge and to take ideological initiative. I now propose to elaborate a little further on this subject, because I am absolutely convinced that this is a matter which demands the highest priority.

The question of national defence encompasses the most vital issues confronting Canada and this parliament today. Ours is an awesome responsibility. If we fail to provide our nation with adequate defence we will bear the responsibility for the betrayal of our sons and daughters and all future generations of Canadians.

We all recognize that developments in the realm of defence have changed radically and fundamentally since the last war. I believe it is true to say that virtually every single one of us has had to do some serious rethinking about what our defence commitments are and should be in the light of the realities of the atomic age. For my own part I have pondered these questions in their fullest implication with the utmost sincerity and have reached a basic conclusion only after a great deal of heart searching.

Mr. Chairman, I can do no better than quote Air Vice Marshal Thomas C. Traill of Britain, former central Atlantic NATO air commander who, in speaking to officers and staff at NATO headquarters in March, 1958 said:

> The war of arms, if it comes, is an extension of the ideological war. At the higher levels military and ideological strategy are one. Together they form the strategy of this world conflict. If we wish to survive it is madness to consider one in isolation from the other. The enemy is very clear on this. He is equally prepared to take an ideological or a military initiative, to use an ideological or a military weapon. You in this headquarters and the forces you control are here to prevent the enemy attempting to take a short cut to his ideological objective, to prevent him from trying to force his idea on his neighbours with bayonets. The armed forces hold the ring while the war of ideas is fought out. It is essential for our existence that you should hold the ring. But you cannot keep an idea the other side of a frontier with bayonets. You can only do that by taking the offensive with a better and stronger idea. Admiral Radford put it in a nutshell while he was chairman of the United States chiefs of staff. He said, "The military power of the United States and her allies can only buy time".

[Mr. Carter.]

Canada is under serious, vicious and incessant attack from forces that covet our land and our natural resources and have a determined will to destroy our way of life and freedom. It is therefore obvious that the ideological offensive which Canada must now take and the ideological defences which Canada must now prepare cannot be confined alone to the padre's hour and current events classes, nor to what is vaguely referred to as psychological warfare.

General Stehlin, deputy chief of the French defence staff, said in October, 1959:

> We will have a real defence of freedom when we unite the ideological and military factors. This is total defence. It will introduce a new weapon —the weapon of a moral ideology. It is not enough just to have nuclear weapons. If the free world is not to be outmanoeuvred by this new and powerful weapon, we must meet the enemy on his own ground and with the same weapons. It is with the weapon of a moral ideology that we will secure the peace and be able to build a new world.

General Edmond Jouhaud, then chief of staff of the French air force, in a front page article in the official military journal *La Vie Militaire* in November, 1959 wrote:

> It is possible that we may never have an atomic war. Perhaps we shall never have a conventional war. But we are in danger of living in a continuing subversive war.

I have in my hand a booklet entitled *Revue Militaire Generale* which is an informal publication for senior military leaders of NATO forces to express their views on military matters. It was founded by General Carpentier when he retired as commander in chief of allied forces in central Europe. In the December, 1959 issue General Carpentier himself wrote an article reminding the NATO leaders of three things:

> 1. If they are to survive, the western nations need an ideology superior to that of communism.
> 2. Defence at the present time requires military resources, but it also requires moral resources.
> 3. The ideological factor and the military factor must be combined for a real defence.

So strongly does General Carpentier feel about this that in the issue of April, 1960, on his own responsibility, he published an article by Colonel General Hans Ulrich von Erlach. The first paragraph of that article reads as follows:

> Today we live in an ideological age. An army without an ideology is beaten before the fighting starts. A nation without an ideology is already enslaved before any enemy has crossed its borders. A man without an ideology is a man who tomorrow will be without a country. Such are the realities of the ideological age which we have unwittingly entered. We have tried to ignore them. Today, on penalty of committing suicide, we must face those realities.

Now, what are the implications of this for Canada, as we study and decide our defence

appropriations for this fiscal year and plan for the future? On June 24, in the special committee on defence expenditures, I raised this question. I raise it again now because there is no more vital issue confronting Canada today.

The fact is that our nation is already at war. Canada today is a battleground on a national scale in the ideological conflict. This is not a time to let issues about our own military posture divide us or obscure the fundamental realities. The difficult and serious problem that faces the Minister of National Defence is fully appreciated.

We all recognize that the Minister of National Defence in any democratic government in a country like Canada faces a new challenge in determining what defence measures the nation can afford in the face of the realities of modern weapons, technology and cost. Canada cannot afford to equip herself as a major nuclear power, but there is a further challenge facing modern ministries of defence. It is a more fundamental challenge; for if we fail to equip our armed forces and nations with ideological training and strategy, which are basic to defence planning, we could stand in grave peril of losing our country without a shot being fired.

I state this strongly and categorically because I feel too many of us in this country do not realize the nature of the warfare that is being conducted against us today. We are living in an ideological age. If this were a political issue there would be little to fear, but the danger lies much deeper; it lies in the ideological aggression to which we are subjected; unremitting, relentless aggression which too often is aided by political naiveté and economic cupidity. Of course the communist nations maintain the strongest possible military machinery, as I feel this country must, but let us never forget that the most significant communist advances in the post-war years have been won in the ideological field. When we consider that 14 countries have already disappeared behind the iron curtain, most of them without a shot being fired, it is easy to understand Mr. Krushchev's confidence that he will win by means of his ideology.

If the military authorities I have quoted earlier are correct in their analysis of the interdependence of the military and ideological factors of total defence, then I would like to ask the members of this house to consider how they would evaluate the rebuff the United States President received when he was unable to go to Japan. It is an interesting story, how this was brought about, and is an example of ideological strategy as a determining factor in international affairs. Not a shot was fired, but there was no question but that a major victory was won.

In April of this year the members of the Asian section of the comintern met in Peking. They drew up a program of which three immediate points were 1. to block President Eisenhower's visit to Japan; 2. to nullify the Japanese-American security treaty; 3. to overthrow Premier Kishi and his government. The group who met included not only the top echelon of party members but representatives of North Vietnam, North Korea and, amongst others from Japan, representatives of the left wing trade union group, Sohyo.

It was members of Sohyo and of the left wing student organization, Zengakuren, who formed the main body of the mob which rioted in Tokyo. Funds totalling 200 million yen were made available to raise mobs in an attempt to bring about the communist program agreed on in Peking. The rioters were paid 1,000 yen per day.

Where did that 200 million yen come from? There were two principal sources for this money. Japanese industrial leaders visiting red China had negotiated a deal for a large quantity of lacquer for which they paid a great sum in cash. This money was kept in Japan, in a Chinese reserve fund and was a major source of funds for the demonstration. The second source of money was from the Leningrad ballet playing to turn-away crowds at fabulous prices in Tokyo. Here are two perfect illustrations of what Lenin meant when he said:

> When the west starts trading with us, they will finance their own destruction.

What are the lessons of this for us in Canada? One year ago Mr. Tim Buck, leader of the communist party in Canada, made a significant statement which has been too little heeded. He said in Vancouver:

> We are not gaining many new members but we are advancing because of the nation-wide acceptance of communist-inspired issues.

That statement bears repetition; we, that is the communists, are advancing because of nation-wide acceptance of communist inspired issues. If we in this house were charged with the responsibility of carrying out the Kremlin's policy for Canada, what issues would we urge upon the Canadian people? Unless we understand this conception of warfare we cannot adequately plan for the defence of this nation. To be plain and direct, the issues the Kremlin is urging on Canada through those who for their own reasons are collaborators, and through others who for lack of reason or lack of understanding are dupes, are these:

1. To spread anti-Americanism and thus help to isolate the U.S.A.

2. To encourage trade, cultural exchange and every other means of close contact with iron curtain countries, thus opening Canada's door to the ideological missionaries of world communism. Incidentally, two days ago press reports informed us that the Peking opera company had already arrived in Canada and plans to tour our major cities. One cannot help wondering where the Canadian money laid out by good Canadian citizens for this cultural exchange will be spent, and on what.

3. To propagate neutralism and pacifism and thus break down the will to resist.

4. Specifically, to urge Canadian withdrawal from NATO and NORAD and thus to undermine the military as well as the ideological aspect of our nation's defence.

There are others, but these are the most blatant issues. The fact is that through skilfully playing on every kind of motive and human emotion, idealism, love of peace, sentimentality, naiveté; sensation loving, vanity and mammon, the Kremlin spokesmen in Canada have been able to seduce thousands of otherwise loyal Canadians and use them for their own purposes.

An interesting example of ideological strategy within our own borders developed from the publication of an editorial in the Vancouver *Sun* on March 17, 1960. Headed "Self-Satisfied and Dead", the editorial read as follows:

> Communism has an ideology, put succinctly in one line of the Red Flag, the communist anthem: "The universal soviet shall be the human race". And it has a purpose, put even more succinctly by Nikita Khrushchev: "We shall bury you".
>
> Has the western world's free society an equally emphatic ideology, an equally clear purpose with which to answer?
>
> That is the question posed by a slim booklet entitled "Ideology and Co-Existence" distributed by Moral Re-Armament to every household in Canada.
>
> The question is not abstract. Call the present state of the world cold war, call it competitive co-existence. The fact remains that it is a struggle. A new kind of struggle—not through armies for territory but through men's minds for world domination.
>
> And in battles of the mind, just as much as in battles of military conquest, victory goes to the strong, the sure and the determined.
>
> Among the booklet's many quotations from world leaders is this, from Chancellor Adenauer of West Germany: "A nation without an ideology is self-satisfied and dead". Could that be us?

Within the pages of the same Vancouver *Sun* shortly thereafter appeared a signed column by one of its writers. Using the Hitlerian technique of the big lie he blasted Moral Re-Armament. Within days his article was reproduced in mimeograph form and distributed by the mine, mill and smelter workers union to their members in Trail, British Columbia, which is in the riding of the member for Kootenay West. Barely four weeks ago a letter from the president of what the member for Kootenay West called "a Trail smelter workers' union" was quoted as evidence for an attack on Moral Re-Armament in this very house. The member failed to mention that this so-called smelter workers' union is in fact the same international union of mine, mill and smelter workers which was kicked out of the Canadian Labour Congress for being communist dominated, and is widely known as being run on its national level by Moscow-trained men.

It is little wonder that another source drawn on in the same speech in this house was that well known pacifist, Rev. Donald Soper, who bluntly announced over the C.B.C. television network a few weeks ago "Khrushchev is our man". This is also the same C.B.C. whose officials a short while ago denied in writing the opportunity for time to be made available, or even paid for, so that Canadians might hear of a moral ideology and an effective answer to the Khrushchev whom Dr. Soper so ardently admires. This is a striking instance of the extent to which the subversive strategy to thwart freedom of speech has already advanced on an issue of vital national importance. It is an example of the ideological war already being waged inside our own borders. The fact is that any force which exposes subversive strategy and tactics and clarifies the true moral basis for democracy in terms of a superior ideology is bound to come under attack. It has been a source of great hope and encouragement for those who see the subversive strategy in Canada today to know there is a forceful and effective positive strategy at work.

The handbook "Ideology and Co-Existence" was distributed to each of the 4,340,000 homes in Canada in early March. The response was nation-wide, and revealed the extent of understanding and sense of need for positive ideological initiative in this country. One in four of all the daily newspapers in Canada wrote forthright editorials welcoming the distribution. Literally hundreds of Canadians wrote letters of thanks for the booklet and asked for further information. "Ideology and Co-Existence" impacted every field of national life, politics, labour, industry, church, women's work, education and farm organizations. I quote from a feature article in the Hamilton *Spectator* of April 14:

> The battle line is being drawn in Canada. Canadians are being faced with the basic issues in the war of ideas more sharply than ever before.

This article reports fully on the background of Moral Re-Armament, how and why it

has been attacked by fascists and communists alike. It tells of the sacrificial financial contributions of hundreds of people, and continues:

"Moral Re-Armament is an ideology for all men everywhere. It enhances a man's primary loyalties. It means cleaning up the nation, putting right what is wrong, beginning with yourself."

The Edmonton *Journal*, in an editorial on March 7, called the distribution of "Ideology and Co-Existence" a major contribution to the democratic cause in the cold war's ideological struggle. The Regina *Leader-Post* wrote:

This is a tremendous, timely and creative project. It is one that must be and will be welcomed by every free man and woman who knows the measure and purpose of the communist threat—and, in the same breath, is uncomfortably aware of that western lack of purpose and focus that is presently of major concern to alert western leaders.

The Brandon *Daily Sun* wrote of the handbook that it—

—clarifies the basic issues facing the free nations of the world and shows how they can take initiative in the east-west ideological war. The aim of the booklet is to strengthen the backbone of freedom and instil the will to fight for what is right.

The Windsor *Star* wrote:

Military strength is necessary but it is dangerous to rely on it entirely. If the struggle against the communist ideology is to be won, it must be won in the hearts and minds of men.

Finally let me quote from the Granby, Quebec, *Voix de l'Est*, which wrote:

The manifesto "Ideology and Co-Existence" which will be sent out to every Canadian home expresses in clear terms the true ideology of the free world and offers an answer to communism.

These are but a few of the editorials published on this subject. They and the hundreds of letters have revealed that there is a great body of support in this country for clear ideological initiative and action. I should like here and now, Mr. Chairman, to pay tribute to a great friend of Canada, to a man whom a British diplomat has evaluated in the following words:

He saw the significance of this underlying ideological struggle years ahead of most other public figures, and his published speeches over the past 20 and 25 years prove it. But he did not stop there. He did a second thing.

He faced the consquences of this ideological struggle and began to think out what democracy's answering, positive ideology was. And then he did a third thing. He built a world force of people, ideologically equipped and living out the answer in their own lives.

I refer to Dr. Frank N. D. Buchman, Pennsylvania-born initiator of the program of Moral Re-Armament. Dr. Buchman came to this country in 1932. He was a friend of the then prime minister, the late R. B. Bennett. Mr. Bennett told Dr. Buchman at that time:

Speaking as a statesman I am convinced that the influences which you so powerfully represent are the only ones which can save the world today.

Because of his challenge to all men to change, Dr. Buchman has been vilified by fascists and communists alike. Of course he has never admired, been associated with or ever met men like Hitler or Khrushchev. I say this from first-hand, authoritative knowledge. The best proof of this is that the post-war governments of both France and Germany have decorated Dr. Buchman. These governments would hardly honour and decorate a friend and admirer of Hitler and Khrushchev. Dr. Buchman has never stooped to take issue with the malicious and irresponsible men who have sought to smear him with whatever lie would be most acceptable in any given country at any given time. But Dr. Buchman now, as always, offers to all men the challenge and opportunity to lay down their lives to make their countries great, to do everything possible so that Canada and every nation may achieve its destiny under God.

I repeat that the ideological initiative which Canada must now take and the ideological defence that Canada must now prepare cannot be confined alone to the padre's hour and current events classes for soldiers, nor to what is vaguely referred to as psychological warfare. This issue of national purpose is fundamental in relation to the question of national defence. More and more is being written on this subject. Few who write have had the insight and courage to give this term meaning for the individual citizen. National purpose must mean that we as a nation know what we are living for. To have a strong national purpose a nation's citizens must be able to answer in positive terms the simple question, "What am I living for?" A collective national will must be the collected individual wills of Canadians, the will to know what they stand for, to love what they know and to be ready to fight for what they love. I believe there is a general area of agreement on both sides of this house as to the necessity of a moral foundation for our democracy, and in the light of the urgent need for a total defence policy I have three recommendations to make to the Minister of National Defence.

1. That the defence department set aside funds immediately to set up an ideological strategy board to consider, study and make intelligent recommendations for ideological training and action in military and other pertinent areas of national life.

2. That contact be made at once on the various service levels with such other ideological strategy boards as may exist in America and/or Great Britain in the army,

navy and air force, with a view to developing common defensive and offensive strategy, to plan not only to defeat the forces of communism operating within our borders but to recommend courses of action to deal with the causes of communism, to unite Canada with her own allies in the free world on the basis of a moral ideology, and to formulate realistic and intelligent means of penetrating the iron, bamboo and sugar cane curtains with the ideology of freedom and democracy.

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Carter: I will only be one minute more.

The Chairman: Has the hon. member leave to continue?

Some hon. Members: Agreed.

Mr. Carter: 3. As a specific and immediate step, that the department issue to every man and every officer in Canada's armed services a copy of the handbook "Ideology and Co-Existence" as a basic manual to aid in understanding the nature of the ideological aggression and of the strategy which is effectively answering it.

Ideology is the essential foundation for total defence. This is an area in which Canada can exercise creative leadership. For what would be relatively a very small financial outlay this nation could equip herself in an essential manner, and also could provide an example for her allies in the free world, especially in the newly emerging nations of Asia and Africa. This, moreover, is the one field in which we can take forthright action of such a nature as to offer those enslaved behind the iron curtain real hope that freedom is on the offensive and will in our lifetime triumph.

(Translation):

Mr. Pigeon: Mr. Chairman, I just have three questions to ask the Associate Minister of National Defence (Mr. Sevigny) in connection with the College Militaire Royal de Saint-Jean.

In the first place, I should like to know what is the percentage of French speaking Canadians, in relation to English speaking Canadians, registered at the college militaire de Saint-Jean?

Second, are the courses at the college given in both languages?

Third, are plans being made for enlarging the college, and for providing third and fourth year courses?

I should appreciate it if the minister gave me an immediate answer to those questions, if at all possible.

Mr. Sevigny: Mr. Chairman, I am pleased to note the great interest shown by the hon. member for Joliette-L'Assomption-Montcalm in the College Militaire Royal de Saint-Jean.

Before replying to the hon. member's questions, may I say how we in Quebec, and all of us in national defence, are proud of that institution, the College Militaire Royal de Saint-Jean, which has done so much for the young people of our province and of Canada generally, and which truly sets an example to all institutions of learning throughout the province and the country.

As I understand the first question of the hon. member for Joliette-L'Assomption-Montcalm, it had to do with the ratio of French-speaking students to English speaking students at the Saint-Jean college.

The percentage is maintained at a 60-40 level, that is to say 60 per cent of the students are French speaking, and 40 per cent English speaking. Of course it is difficult to maintain that exact proportion from year to year. However, I am pleased to inform the committee that in 1959-60, that proportion was very well maintained, the number of French speaking students being 105, as against 70 English speaking students.

In reply to the second question of the hon. member for Joliette-L'Assomption-Montcalm, I am pleased to inform the committee that the tuition is given in both languages. A rather ingenious method is used which gives students at that college an opportunity to learn both languages. The method is as follows: for a certain period of time, say two or three weeks, all courses are given in English, and English conversation is the rule; then in the next period it is the opposite, and all conversations in the college must be carried on in French, so that by the time they leave the college, on completion of their courses, the students are fully bilingual, which, of course is a decided asset to them, and one which is looked for by so many Canadian employers.

With regard to the third question of the hon. member I must say that constant efforts are being made to improve conditions at our military colleges, whether it be R.M.C. in Kingston, the Royal Roads College or the College Militaire Royal de Saint-Jean. A committee has been formed mainly to supervise all activities in those colleges and to find ways of improving not only their curriculum, but their general teaching procedures, their facilities and so on.

At this time we are considering the possibility of extending by two years the course given at the College Militaire Royal de Saint-Jean, which would qualify the cadets for entrance to a university.

There are of course, in that respect, some points which deserve consideration. For instance, we know that, if we want to add two years to the present course of the College Militaire Royal de Saint-Jean, a charter will have to be obtained from provincial authorities, allowing this course to lead to university training.

Moreover, the matter of the necessary accommodation must be provided for. If the course at the College Militaire Royal de Saint-Jean is extended by two years, it would require substantial enlargement of existing facilities; we would have to put up additional buildings, get laboratory equipment, provide reading rooms and dormitories; in short it would mean erecting additional buildings to house students who would want to avail themselves of the enlarged facilities and of the two further years of study.

As I say, the matter is now under consideration, and you may be assured, Mr. Chairman, that nothing is left to chance, for the Department of National Defence has assumed the task of giving our young people the best possible education and of improving whenever possible the course itself and the whole system of education at the College Royal Militaire de Saint-Jean.

Mr. Pigeon: Mr. Chairman, I congratulate the associate minister of defence and thank him for the magnificent work he is accomplishing.

Mr. Boulanger: There is another question I should like to direct to the associate minister of defence (Mr. Sevigny): what is the proportion of French speaking students to English speaking students at the Kingston military college?

Mr. Sevigny: Mr. Chairman, the hon. member for Drummond-Arthabaska (Mr. Boulanger) is taking me a bit unawares; with his permission, I will inquire and reply to his question at the first opportunity.

Mr. Boulanger: Are the courses at Kingston given in French and English?

Mr. Sevigny: Mr. Chairman, at Kingston, tuition is given in English, and the advantage of the College Militaire Royal de Saint-Jean lies precisely in the fact that French speaking Canadians who are taking their preliminary training there, under the system I described a moment ago, whereby they are required to speak English during a few weeks, and then their mother tongue, that is French, during a few weeks, are perfectly bilingual when they go up to Kingston for their senior studies.

(Text):

Mr. Hellyer: Can we take from the minister's reply an inference that he did have notice of the question by the hon. member for Joliette-L'Assomption-Montcalm?

Mr. Sevigny: I regret that I did not quite understand the nature of the hon. gentleman's question. Would he mind repeating it?

Mr. Hellyer: I will put it later.

Mr. Forgie: I just have a few words to say on this matter. The minister has rightly said that foreign policy and defence policy must be co-ordinated by the government, and that defence policy should be designed to secure national security and the preservation of world peace. With that statement, of course, no one can quarrel. There is no sign of any lessening of international tension, and it is no doubt very difficult, if not impossible, to design a defence posture that can be assured of any permanency at the present time. I submit that a good defence policy, however, should prescribe the conditions under which our armed forces should be used to further the nation's security. This is a matter for determination by Canadians and by Canadians only.

The question of United States influence on our defence policy was thoroughly canvassed in the defence committee, and was commented upon adversely. A sound defence policy should make provision for supplying the military forces adequate to assure the military aspects of national security in peace and war. But I do not believe this can be accomplished by Canada alone. In so far as our security on this continent is concerned, it seems to me that there must be the closest co-operation with United States forces. No other arrangement can be effective. A good defence policy must provide forces most appropriate to the country's national characteristics, and provide them with the minimum detrimental effect on the internal economy of the country. As I said, we cannot defend this country alone. Our best defence is the prevention of war, and with that I am sure the minister agrees.

Our neighbour to the north being the U.S.S.R., our topography, our geographical location and our low population density are obvious handicaps to a successful defence

against such a potential assailant. The government says there is a limit to the amount we can spend on defence. If reports appearing in the press are correct, then we can expect not only a substantial reduction in defence expenditures but a cut in the armed forces as well. I should like to refer to a Canadian Press dispatch published a week or so ago, which reads:

> The defence department is studying as a 1961 prospect the withdrawal of part or all of the Canadian infantry brigade group in West Germany, informants say.

The next paragraph I should like to quote reads as follows:

> "Does this necesarily forecast the inevitable withdrawal of the brigade?" the minister was asked.
> "I cannot answer that," Mr. Pearkes replied.
> Since then, it has been disclosed that the defence department is looking into the possibility of manpower cuts in the armed forces to provide more funds for new weapons and equipment.
> Mr. Pearkes has said major manpower cuts won't be possible without a reduction in commitments of the armed forces.

Now, having read that, it is only fair that I should read this paragraph from *Votes and Proceedings*, which contains the report of the committee on defence expenditures. Paragraph 9 reads:

> Your committee noted the minister's conclusions that the present strength of the armed forces of Canada must be maintained if they are to fulfil the commitments assigned to them, and concurs in this view. It also encourages the continuing efforts to reduce civilian and administrative personnel to the most economic and efficient level, and notes the reduction from the 1956-57 figure of 54,371 to a current figure of 49,637.

The reason I am bringing up this question at the present time, Mr. Chairman, is this. I should like the minister, when he replies, to tell us which of these reports the armed forces are to believe expresses the policy of this government. The armed forces are very much disturbed, that is the armed forces about which I know anything, over these contradictory reports, and would welcome a statement from the minister.

There has been no increase in the pay of the armed forces since the increase granted by the Liberal administration in 1957. The other day I heard a group of soldiers discussing this matter of pay increases. While I welcome the increase in pay for civil servants, I should like to say something on behalf of the armed forces because, as one officer said the other day, perhaps it would be to the monetary advantage of the forces to discard their uniforms and join the civil service.

Personnel of the army who retired on pension prior to and subsequent to world war II complain bitterly of the inadequacy of the pensions being received. It seems to me that their pensions should be tied to the cost of living and I submit that suggestion to the minister for serious consideration of the government. I believe he will be sympathetic to this request.

Our military contribution to NATO or any other collective security arrangement is a drop in the bucket compared to the expenditures by the larger powers but, Mr. Chairman, I do say that Canadian influence in international affairs transcends our military strength and our military contribution. And to a very large extent the credit for this happy situation can be attributed to the ability, personality and skill of the present Leader of the Opposition during his tenure of office as minister of external affairs.

I am not going to regale the house with figures as to our military contribution in Europe. I do, however, wish to refer to the remarks made by General Gunther in 1956 when he spoke to the members of both houses in the railway committee room. He told us that the Canadian brigade was the best trained unit in Germany. He also remarked that our air force compared favourably with that of others in Europe. I have no reason to believe that our Canadian forces in Europe have in any way deteriorated since 1956, except that their equipment has not been kept up to date. I refer particularly to the lack of such basic necessities as effective medium machine guns and a modern fighter plane that can give protection and direct support to troops in battle.

Whether or not the western powers come to an agreement with Russia to ban nuclear weapons, would it not be good policy for Canada to pursue a role where we can best serve the cause of peace? It has been argued that our forces should be given that mobility which would enable them to better serve on request, under the United Nations.

Canada as a middle power has, in my opinion, the following characteristics: a relatively disinterested reputation. By that I mean efforts of her representatives stationed in foreign countries—at the United Nations and NATO, Kashmir, the Middle East, and other trouble areas—who have conducted themselves so impartially that Canada has indeed earned and won the respect and confidence of those countries where Canadians have been posted.

Our Canadian forces, all volunteers, command universal respect. There are many historical precedents where smaller nations provided specialized military forces for police duty, a role Canada could readily assume as a member of United Nations. The latest of course is the call by United Nations to assist in policing the Congo, to which Canada immediately responded.

Basing our future policy and future actions on the prevention of war, Canada can offer a well trained and well equipped military police force to the United Nations to be employed as a peace force wherever required. Our international commitments should be reorganized to enable Canada to carry out this role.

The minister for whom I have the highest regard and respect, said at one of our committee meetings, "We have nothing to hide". During our discussions at these committee meetings we asked that experts be called before the committee to express their views regarding defence and defence policy and to make whatever recommendations to the government they deemed advisable.

To our way of thinking this government order "no witnesses"—and a government order it undoubtedly was and not the order of the minister—constituted a grave error of judgment on the part of the government. The only conclusion we can reach is that the government fearful of having its defence policy exposed to a vigorous and searching examination, squelched all efforts on the part of the Liberal members of the committee to call such witnesses.

Defence problems are not easy to solve. It is not encouraging to see the government refuse the benefit of the experience, research and careful thought of men who have in many cases devoted their lives to the study of these problems and possible solutions to them. Why if the government values the lay opinion expressed by members of the defence expenditures committee from both sides of the house, would it not prize more highly the views of competent experts who could and should have been called to give evidence to this committee. Why was this abortive order "no witnesses" given by the Prime Minister? We on this side of the house are satisfied that had the decision in this matter of calling witnesses been left entirely to the minister he would have consented to their being called.

Mr. Herridge: Mr. Chairman, when I look over at the hon. and gallant gentlemen sitting comfortably in manly repose, when I look upon the house, the placid atmosphere that now prevails, the quiescence on my right and left, I am reminded of having tea on the terrace at Westminster in 1906. One would not realize that we were discussing the estimates of the Department of National Defence. I suppose it is fair to say—

Mr. Hellyer: That is a form of hypocrisy. Five minutes ago there was not one C.C.F. member in the chamber to listen to the debate.

Mr. Winch: I am right here.

Mr. Hellyer: Not one. Just don't get too sanctimonious.

Mr. Herridge: Mr. Chairman, I have apparently riled the member for Trinity. Let me tell him that there is a larger percentage of members of the C.C.F. party normally in this house throughout the session than of any other party in the house.

Mr. Hellyer: Sometimes they are conspicuous by their absence.

Mr. Herridge: I think, on that question, that those who live in glass houses should not throw stones. We in this group have no part-time members who go home on Thursdays and come back on Tuesdays. The hon. gentleman has some in his party.

Mr. Hellyer: Some of yours go away for a week.

An hon. Member: Some of them go away forever.

The Chairman: Order. I must remind hon. members that they must address the Chair, and we are on the national defence estimates.

Mr. Herridge: Yes, Mr. Chairman. In spite of what I have said, I am afraid that I have done something to change the atmosphere. The member for Trinity is in a snappy mood this afternoon: he has been irritated by somebody, or something.

However, Mr. Chairman, having jumped that very low hurdle I want to make it quite clear that we in the C.C.F. consider that the new Liberal defence policy represents a major shift away from the futility of the Liberal defence policy of yesterday and the futility of the government policy of today.

I want to make it quite clear, regardless of the unkindness of the member for Trinity, that we are glad the Liberals now agree with us that air defence against an all-out thermonuclear attack is impossible and that NATO's nuclear strategy is suicidal. I am glad that we have had that assurance from the member for Trinity. Also, we are glad to note that the Liberals wish to scrap the destroyer-escorts that are now being built, possibly because they agree with us that there is no defence against nuclear missile firing submarines. We also rejoice in the fact that the Liberals wish to devote a far higher proportion of the defence budget to preparations for conventional operations under United Nations auspices. We are glad that the Liberals have learned the lesson of Suez, in contrast to the Conservatives who appear to have learned nothing from the Congo situation.

Having said that, Mr. Chairman, I would point out that the Liberals have not carried things to their logical conclusion—almost, but not quite. If continental air defence is impossible, what is the sense of the North American air defence command? That is what we in this group want to know. If thermonuclear war would be suicidal or virtually so, surely we must do everything possible to keep the United States strategic air command as far away as we can from the U.S.S.R. and the Soviet long range air force as far away as we can from the United States of America. In other words, we must do everything possible to reduce the necessity for each side thinking in terms of a preemptive attack on the other.

That is the approach of this group as mentioned yesterday afternoon by the hon. member for Vancouver East, who outlined in detail our policy. I am dealing with a few odds and ends this afternoon.

It is because the C.C.F. group does follow new ideas through to their logical conclusion that we call for Canada's immediate withdrawal from NORAD and the making of Canada into a true buffer by the internationalization of the D.E.W. line. And when we use the word "buffer" we use it in the dictionary sense as explained by the hon. member for Vancouver East yesterday.

We think this latter step would point the way to the beginning of controlled disarmament through the internationalization of all radar warning lines, including those against intercontinental ballistic missiles. On the other hand I must point out that the Liberal decision to remain in NORAD, while admitting air defence is impossible, will have the effect of turning over even more completely all our air space to the United States air force.

Mr. Hellyer: You are turning it over to Khrushchev.

Mr. Winch: That is a nasty thing to say.

Mr. Herridge: I served this country in war and have been wounded in battle five places. Has the hon. gentleman had that experience?

The Liberals, because of their lack of courage and their fear of seizing the bull by the horns, are in effect advocating, from our point of view—and we are giving our point of view fairly, just as hon. members on the government side are—that Canada become even more a satellite of the United States than she has so far become under the present and former governments.

I must deal for a few moments with the remarks of the hon. member for Burin-Burgeo. I have every respect for him. As I said before, there are many sincere people belonging to this organization known as Moral Re-Armament. I had some remarks to say about this organization in a previous debate, and strangely enough although there was some applause from both sides of the house for the hon. member for Burin-Burgeo when he replied. Later very well known members of both the Progressive Conservative and Liberal parties expressed to me their complete support for my opposition to this organization.

The Deputy Chairman: Order.

Mr. Herridge: I think I have the right to reply, Mr. Chairman. The hon. gentleman did what he thought was correct and I think he is wrong, and I have the right to reply briefly. But I might say that since making those remarks which represented the views of this government and of large sections of the trade union movement in this country and of many people, I have received many letters expressing support for the views I expressed. I have also received a few expressing opposition to what I had to say but that is only natural.

However, I want to bring this to the hon. gentleman's attention in view of this question of the absolutes of M.R.A. I am not going to take up much time with this because there are other matters and we all want to get the estimates through in as reasonable a time as possible, after allowing everyone who wishes to speak to do so. I have had letters from editorial writers, and I would like to bring to the hon. member's attention an editorial which was published in the *Free Press* which indicates a certain degree of dishonesty on the part of this movement.

The Deputy Chairman: Order. I wish the hon. gentleman would explain to me what Moral Re-Armament has to do with the Department of National Defence.

Mr. Herridge: Yes, I will. The hon. member urged that we go in for ideological training in the army and that the troops be circularized with a pamphlet known as "co-existence". At the same time he inferred that those who opposed this movement are communists. That is an old story and no one can properly call me a communist because no one thinks more of democratic principles than I do. But I am just referring to an advertisement by M.R.A. and I want to use it as an illustration of dishonesty. If hon. members read the editorial in the *Free Press* they will find it for themselves. In fact, I went upstairs to get my file on the matter but I could not find it. Owing to the rush of these days my office is like a barn yard at the present time.

The editorial dealt with the fact that there are large advertisements placed in national newspapers which indicated that this is what the *Times* said, or what the newspapers in the United States said or the newspapers in India in their news columns. Actually it was nothing of the sort. Moral Re-Armament published a paid advertisement in some small newspapers in these countries and then copied their own advertisement and said "This is what the newspapers have said".

We can all get the facts because this editorial is of recent date; it is in my office and I can show it to anybody. I have had numerous other letters and I have come to the conclusion that M.R.A. is not all it is supposed to be. Dr. Soper, a prominent preacher of the Methodist church in England, has said what he thinks about it. I have heard from Anglican clergymen and clergymen of other faiths and these gentlemen all opposed it on the same ground, as being not what it is supposed to be. I opposed it receiving exemption from income tax because it was not a charitable organization, but as the hon. member has indicated this afternoon, it is a political organization.

Mr. Carter: On a point of order, I said no such thing. Mr. Chairman, I understand that when an hon. member makes an incorrect statement the rules permit a person to deny it on the spot, and that is what I am doing.

Mr. Herridge: Mr. Chairman, I certainly understood from the hon. member's remarks that he wanted the pamphlet circulated with a view to creating certain political impressions. Therefore, I would say the organization had a political character.

Mr. Carter: I said no such thing, Mr. Chairman. What I said was that if the issues were purely political or psychological we would have nothing to fear.

The Deputy Chairman: Order. The hon. member for Kootenay West must of course accept the statement of the hon. member.

Mr. Herridge: Yes, Mr. Chairman, I have, but I wanted to explain on what basis I made my statement. Now we are getting along beautifully.

If the government understood the facts of life in the nuclear age we would not hear such nonsense from the minister as his description—at the top of page 7526 of *Hansard*—of the third role given the army, namely:

> —to maintain a force capable of taking action against any possible commando-type raid in the Arctic or elsewhere in Canada.

I know that this particular type of madness was first dreamt up by the Liberals back in 1946 so that a role could be found for the army brigade of those days. The idea that the Russians would risk an almost certain thermonuclear response from SAC for the sake of effecting a small lodgement on the North American continent is nothing short of preposterous. What we have here is an attempt to fashion a potential aggressor's action to our own capabilities instead of doing the only sensible thing which is to calculate what a potential aggressor is likely to do and then figure out what we can do about it.

Our aim must be to prevent war for a thermonuclear war would be suicide. If the government really understood this we would not have had before us in recent days the spectacle of the government buying four Caribou aircraft so we could carry out our United Nations commitment in the Congo. I should like to ask the minister to reply on this point at the appropriate time.

Our armed forces, despite their impressive strength of 122,000 all ranks, are totally inadequate to carry out operations under the United Nations, yet it is precisely for such operations that the bulk of our armed forces should be organized. I say this because it is the efficient and prompt carrying out of United Nations operations that will prevent small wars and incidents from developing into a thermonuclear catastrophe.

We say that what we need are the complete unification of our armed forces and the development of all-arms teams capable of rapid transportation anywhere in the world for operation under the United Nations, ranging from a convention war on the Korean model to actions similar to those on the borders of Israel and in the Congo. For this purpose and for the purpose of deterring thermonuclear attack on Canada we do not need submarines, which the government seems to be advocating, nor do we need intercepters in Canada which the Liberals advocate and toward the provision of which the government appears to be moving, nor do we need the new destroyer-escorts which the government is building.

Further proof, if proof were needed, of the government's inability to understand the difference between defence and the deterrent is to be found at page 7556 of *Hansard* for August 4. Talking about nuclear warheads for Bomarcs the minister had this to say:

> To declare in advance that we would never use such weapons would weaken immeasurably their deterrent effect. Do not let us overlook the importance of the deterrent. I emphasized that many times during the course of this speech. Thus, if we announce that we are not going to use them we would be decreasing our ability to prevent war, which is the main object of all our defence preparations. Such a declaration would give a would-be aggressor great comfort and would facilitate the preparations of his plans, as he would know the limitations of our defence.

That is what the hon. gentleman said, and I have read his remarks over very carefully. What the government fails to understand, from our point of view, is this: Deterrence lies in the power to attack, to retaliate. It does not lie in the power to defend, since it is not possible to develop a defence against weapons having the power of 20 million tons of T.N.T.

That is the major thesis that I wish to put forward in connection with this defence problem on behalf of the members of this group. I wish to bring to the attention of the government the changing attitude of the people of this country toward these matters and I am sure that the change in the attitude of the Liberal party has come about as a result of a recognition of a change in the climate of opinion in Canada during the last 12 months with respect to defence. I give them credit for responding to this change in public opinion and for announcing a policy 12 months after the C.C.F. had taken precisely that same stand in the House of Commons.

But I must stop proceeding along those lines, because I see the hon. member for Trinity glaring at me again. It does not look pretty when he glares. He has a happy nature on most occasions and it is not in character for him to glare. I suppose he is annoyed at something, and I presume something the minister has said has caused his annoyance.

I have received a good deal of correspondence in connection with this subject, as no doubt, have most other hon. members of this house, much of which illustrates my contention that public opinion with respect to nuclear warfare is changing. I have in my hand a letter from some faculty members of McMaster University which indicates that they have given serious study to this question. It is an open letter which was sent to the Canadian government, and no doubt the minister as well as other hon. members have received copies. I do not intend to read it. They deal fully with the reasons for composing the letter, and then emphasize six points with respect to the general disarmament negotiations. Point No. 5 reads as follows:

> Canada should not acquire nuclear weapons under any system of control and should oppose the arming of NATO with such weapons.

Then they say in Point No. 6:

> Canada should seek the adoption by NATO of a policy of neutralization of central Europe—

That, as hon. members will recognize, is the policy of the C.C.F. party.

> —and should support any step in that direction.

We are not concerned with emphasizing that that is C.C.F. policy. We are only too glad to see increasing numbers of persons and responsible groups in Canada expressing the same opinions that have been expressed by members of this group.

I come, now, to a short article which appeared in the *Torch*, a magazine published for ex-service men and women. The *Torch* is a magazine of a well-known veterans' organization in this country, and in the issue of November, 1959 appeared an article on defence entitled "The Past, the Present, the Future" by Mr. E. V. (Gene) Heesaker, the Ontario provincial president of the Canadian Corps Association. I am sure hon. gentlemen facing me are not going to question this man's loyalty to Canada or suggest he belongs to a subversive group. This man has a war record of which he can be proud. Here is what he had to say on page 15 of this magazine:

> The questions now to be decided are: shall we continue to pour money into weapons that will not protect us? Or shall we divert that money to building and healing, which humanity desperately needs? Shall we join the nuclear arms race—a race to the death? Or shall we declare ourselves out of it? I believe Canada should stop buying weapons that can't give us security in this nuclear age. We should cut our so-called defence spending sharply and put that money to better use for human well-being.
>
> Economically, Canada can contribute to the fight against communism and reap 20 times the value for every dollar now spent on weapons, provided we get out of an arms race which we cannot afford. This would not mean lower taxes and more pleasure spending, but that we would divert the money from bombers into food and technical assistance for the hungry millions of Asia and Africa. Our most shattering defeat would be the collapse of Nehru's India and its swing to communism along with China. In my way of thinking, the greatest bulwark against world communism would be India's success in emerging from colonialism into democracy and becoming an example for Asia and Africa.
>
> This change of direction is not going to be easy for us. It will require dynamiting of our mental log jam on the whole problem of the communist threat to our western democracy.

I suggest that if we take that veteran's views and the views of others which have been presented in similar terms we would get much further along on the road to peace than we shall by circulating the pamphlet "Co-existence" to the armed forces and conducting courses in ideological warfare. I have a letter here from Mrs. Josephine Davis of the central committee of the Voice of Women expressing similar views. She says:

> At a large representative inaugural meeting Voice of Women unanimously declared itself opposed to nuclear war. Therefore we support any proposal which will keep Canada free from nuclear armament, thereby strengthening Canada's leadership among non-nuclear powers.

I might mention that these ladies visited the Prime Minister, the Leader of the Opposition and the leader of this group, and all the leaders of the parties in this house

wished them well with their crusade. The Prime Minister is reported as having said: Carry on, ladies; you are doing good work; we recognize your sincerity, and so on. And the Prime Minister was quite correct in saying that.

I want to finish up by saying that we fully appreciate the task which the Minister of National Defence has before him. We are living under changing conditions and I do not underestimate the problems which are bound to face any minister of defence in these days. If I might supplement the views put forward yesterday by the hon. member for Vancouver East, we believe our forces should be provided with aircraft capable of transporting them to any part of the world where the United Nations might need their assistance, such as the Congo where an emergency exists at the present time. We are glad that parliament endorsed the action which the government took with regard to the Congo situation, and we have been proved correct in our point of view about that situation. We said just a few days ago that the United Nations should take action and go into Katanga and that is the course which is apparently being followed. But to take action of that kind requires, of course, the necessary forces. Once again the C.C.F. approach to the question has been proved correct in less than a week by the march of events.

I am nearly finished but I do not know what time I have left since I have been interrupted by the hon. member for Trinity.

This matter has been a source of concern to the Belgian socialists. I have here a copy of a statement made by Mr. Victor Larock, M.P., executive member of the Belgian socialist party and former foreign minister of Belgium. What does he say? I mention this to indicate the need for our being ready and armed and having forces to support the United Nations activity. This statement was made on June 20:

> History will record that in the hour of withdrawal the administration, big business and its press in the Congo have at least maintained one tenacious sentiment: anti-socialism.
>
> However, when the fate of 13 million human beings is at the mercy of improvised decisions, the most legitimate of political grievances must be silent.
>
> Two dangers are threatening the Congo: that of tribal struggles which can from one day to the next become murderous again, and that of the separatisms which would inevitably lead to the disintegration of the country.
>
> "What do we care? They wanted to be free; their fate no longer concerns us!" There is cowardice in such language. It is the language of the investor which has rid himself of his stocks and shares. Belgium did not grant independence to the most beautiful and richest of territories in Africa in order to surrender it to civil war, dismemberment and the greed of foreigners.

Then, he goes on to advocate strong action by the United Nations. I mention this to illustrate the need for a United Nations force which is ready to go into action. We are proud that Canada is participating in that force at the present time. From our point of view we urge that we should be ready to participate at any time and our forces should be trained on that basis.

In conclusion, Mr. Chairman, on behalf of this group, I wish to say that we recognize the devotion to duty of all ranks and all that is being done by the various sections of the Canadian armed forces, the navy the army and the air force. Hon. members will be surprised at how interested our men in the armed forces are in defence policy and in international affairs. I judge that from the correspondence we get from them. You know, Mr. Chairman, I have boys who write me from the Arctic and ask me to ask the minister this or that question. That is all to the good; that is democracy and it shows that our armed forces are interested in this problem.

I do urge that the minister and the government give consideration to these proposals which are the result of study and thought by members of this group who place them before the committee in all sincerity, believing they are to the best advantage of this Canada which we all love.

Mr. Hellyer: Mr. Chairman, the hon. member for Kootenay West and my breakfast partner has been particularly provocative this afternoon, which is not his usual attitude, I must say. As he indicated to the committee, he served his country in world war I with distinction and for that we honour him.

Mr. Winch: Since that, too.

Mr. Hellyer: Unfortunately, as he said, he was wounded a number of times in battle and this reminds me of a story which he has told me at breakfast at least two or three times. I would not be presumptuous enough to mention it if he himself did not say it about himself, namely that on returning home his father, referring to what had happened to him, said that he was aware that this was indeed unfortunate but that it had affected the judgment of the hon. gentleman and that he has not been exactly the same since.

Mr. Winch: That was a reference to the Liberal party.

Mr. Herridge: My father was somewhat prejudiced, Mr. Chairman.

Mr. Hellyer: If there is any correction I should be glad to yield so that the hon. gentleman may put it on the record.

Mr. Herridge: My father was a very fine old gentleman, but he had all the prejudices that the Liberals have on political occasions.

Mr. Hellyer: However, Mr. Chairman, for the next few minutes I think what I am going to say will be approved of by the hon. member for Kootenay West, and I hope it will commend itself to the Minister of National Defence. I should like to deal specifically for a few minutes, if I may, with the matter of North American air defence. I mentioned this in my statement yesterday and the minister mentioned it in his rebuttal both before and after I had spoken.

I say that the government's policy on air defence is inconsistent and unrealistic. The recommendations of the special select committee on defence expenditures indicated that the bomber threat is diminishing. This view is subscribed to by the government and, indeed, was put on the record by the Prime Minister and the Minister of National Defence both at the time the Avro Arrow interceptor was cancelled. Now on the basis of the information available, and on the basis of a study of the minister's statements we have come to the conclusion that the bomber threat will be of real significance in proportion to the total threat against the North American continent for a very short period of time, perhaps another two or three years.

From that time on, Mr. Chairman, the overwhelming threat will be from missiles, particularly the intercontinental ballistic missiles. Once that has happened, unless there is some scientific breakthrough, as yet not contemplated by western scientists, there will be no effective air defence of the North American continent. Yet the minister in his statement kept referring to the deterrent. He returned to this a number of times and spoke about Canada's contribution to the deterrent. The presumption was that at least the installation of the SAGE-Bomarc system was a contribution to the western, and more particularly the United States, deterrent.

That is what the North American air defence was set up for. We used to be completely honest and admit that the air defence of the North American continent was designed to protect the retaliatory capacity of the strategic air command; it was never really intended to do anything else. When the proposal for the Bomarc sites first arrived there was no discussion of the defence of Canada per se, but only a consideration in terms of defence of the retaliatory capacity of the west and of the strategic air command. Only in the last year or two has there been creeping into statements on this subject some reference to the possible defence of Canadian cities and civilian population as a result of this defensive arrangement. Now, however, time has overtaken the Bomarc-SAGE system.

I should like to put on the record some supporting evidence in this respect. I should like to quote first of all from an article by Brigadier General Thomas R. Phillips, United States army, retired, as quoted in evidence in hearings before the subcommittee of the committee on appropriations of the United States senate. General Phillips had this to say in reference to the Bomarc:

> Time has overtaken it. The idea was broached in 1948. First study contracts were let in 1950 to Boeing Airplane Company and the University of Michigan for research and design studies.
>
> It was designed to cope with the subsonic aircraft anticipated to be in service in 1954 or 1955.

Our objection to the Bomarc from the standpoint of defence in that period from the mid-60's forward has been on the basis that it is a fixed installation. We put clearly on the record that it was not its failures which alarmed us, although this was an additional matter of concern, but the fact that time had overtaken the whole SAGE-Bomarc system and that fixed installations in the time period for which it will be in operation will render it too vulnerable to be effective.

I should like to quote a few witnesses in respect of the matter of fixed installations or fixed bases. The first one I should like to quote is the United States secretary of defence, Mr. Gates. In evidence before the subcommittee of the committee on appropriations of the house of representatives, referring to the SAGE-Bomarc system he said:

> —I mean in the course of fiscal year 1961, that we have another re-appraisal. Such a re-appraisal might change the emphasis on certain factors, in which case there might be a change in the air defence plan. I know there have been some further studies on the air defence problem, not along the lines of the F-108 but along the line of reconsidering the continued use, in numbers, of aircraft interceptors. One of the reasons for this is that the Bomarc sites themselves are vulnerable, as fixed sites, to good, accurate missiles.

No one has denied that the soviet imperialists have good, accurate missiles. Then, the Right Hon. Harold Watkinson indicated at the time of the cancellation of the Blue Streak that the primary reason for the cancellation of that weapons system was because it would be fired from fixed bases and as such would be too vulnerable on the ground to enemy missilry. Assuming that the Russians would in the case of an all-out war strike first, any fixed installation, offensive or defensive, is vulnerable to attack by missile.

Mr. Sevigny: Would the hon. member permit a question?

Mr. Hellyer: Certainly.

Mr. Sevigny: Is the hon. member for Trinity aware that the minister of national defence of Great Britain explained quite clearly during his recent visit to Canada that although the so-called fixed sites which would have been used for the Blue Streak missile in England could be vulnerable Canada was far enough away so that the same dangers do not apply here as applied in Great Britain?

Mr. Hellyer: Mr. Chairman, I had a very pleasant chat with the right hon. gentleman, thanks to the good offices of the parliamentary secretary to the Minister of National Defence, and there was no doubt from talking to him that as a matter of principle he believes that fixed installations in the years that lie ahead are too vulnerable to missilry. However, I am sure he would be diplomatic enough not to comment on those specific matters coming within the competence of the Canadian government. This view was supported by his chief scientific adviser, Sir Solly Zucterman, who was of exactly the same opinion that fixed bases, either offensive or defensive, from the mid-60's on were so vulnerable as to make their use virtually untenable.

Field Marshal Viscount Montgomery has taken the same position and has spoken very strongly against any future plans for the installation of fixed bases, again on the basis of their vulnerability. General Phillips, again referring specifically to the Bomarc, said this:

> Bomarc suffers from three main difficulties that have overtaken it with time: (1) It has proved impossible to make it effective against supersonic targets; (2) it has been so long in development the bombers can now fly as fast as the interceptor; and (3) it is a sitting duck on its large bases, with 60 missiles on each, for attack by enemy ballistic missiles.

Then, General White, chief of staff of the United States air force, had this to say in evidence before the senate subcommittee:

> I will say this: If we developed the Skyboat to conclusion and if the soviets do a similar one with a thousand mile range, obviously the Bomarc is not going to be an adequate defence against that type of weapon.

He goes on to say that this would not be true in the immediate future, presumably referring to the next two or three years. Again, General White in giving evidence before the same senate committee was asked a question by Senator Symington, who was referring to General Phillips' article, and I read the following passage:

> Senator Symington: General Phillips' third point is that: "It (Bomarc) is a sitting duck on its large bases, with 60 missiles on each, for attack by enemy ballistic missiles." How about that?
>
> General White: I think that is true. It is vulnerable, yes, sir.

Mr. Chambers: Read on.

Mr. Hellyer: Mr. Chairman, there are only two supporters of Bomarc, the Canadian government and NORAD, not the people of Canada. We can understand the government's dilemma. It is one of its own making. In our opinion it might just as well get out of that dilemma now before congress embarrasses it again. I am convinced that congress would not have reinstated—

Mr. Lambert: Are they going to have another election next year?

Mr. Hellyer: Is the hon. member implying that the reason for the reinstatement of the Bomarc program this year is that they are having a presidential election?

Mr. Lambert: No.

Mr. Hellyer: That was the inference I took from his statement.

Mr. Lambert: Cuts were made.

Mr. Hellyer: On the contrary, the hon. member has been in politics long enough to know that you do not cut a work-making program just in advance of a general election. I think that is what the hon. member had in mind, before he had time to reflect on it.

Mr. Lambert: Just the contrary.

Mr. Hellyer: I am convinced that congress would not have reinstated the Bomarc except for Mr. Khrushchev and his boorish behaviour at the summit conference and the pressure of their feeling for the Canadian government. They may, of course, have a change of heart again in the future. They certainly will if they take a cold look at the whole situation.

With respect to NORAD, I had the privilege of visiting NORAD headquarters this year and I was considerably disturbed by what I saw there. NORAD is living in a dream world four to five years behind the times. From here on in they are going to suffer from one of the seemingly inevitable laws of both military and government service, Parkinson's law. They are going to have to keep busy whether or not their function remains as useful as it has been in the past. By the mid-60's the effectiveness of NORAD to protect the deterrent will be reduced to something inconsequential. They cannot possibly stop intercontinental ballistic missiles, and under questioning they will admit this but only reluctantly. It is a difficult thing to accept that there is not at the present time and there is no prospect in the immediate future of an adequate defence against the intercontinental ballistic missile.

Mr. Winch: Why did you vote against my motion?

Mr. Hellyer: Yet they have the responsibility for so-called air defence of the North American continent. Their position is natural but their evidence must be considered on the basis of the bias and self-interest it inevitably contains. An indication of the United States defence department's appraisal of the future of NORAD is contained in the fact that there were some plans to harden the NORAD headquarters. A hole was being cut out of the Colorado mountains for this purpose. This project was cancelled. If the United States defence department had rated NORAD's future functions as indispensable, the project would not have been cancelled. NORAD headquarters is soft and vulnerable. By the mid-1960's its continuing effective function will be primarily the detection and identification roles.

If there were an all-out war, if missiles were used at the outset as would likely be the case, in that time period NORAD headquarters itself would likely be an early target. This, of course, would be proof positive that an all-out offensive had commenced. Unfortunately it would be a little late if there were no warning before that.

This brings up the whole question of timing. When will the whole SAGE-Bomarc system be in operation? What does United States Secretary Gates say about it?

Mr. Winch: I should like to know what you say about it. You have changed your mind in the last two hours.

Mr. Hellyer: I have not changed my stand. If you check the record you will find out. Secretary Gates, before the house committee on appropriations, had this to say in reply to a question from Mr. Minshall:

> Mr. Minshall: When will the program be completely finished?
> Secretary Gates: Completely in being?
> Mr. Minshall: Completely in being.
> Secretary Gates: By the end of fiscal year 1963.

Well, Mr. Chairman, 1963 is too late. The Canadian government is spending the taxpayers' money on a system which will be too late to be useful enough to justify the expenditure.

Mr. Winch: May I ask the hon. member a question? What does he mean by "too late"? Is he referring to NORAD?

Mr. Hellyer: I am referring to the SAGE-Bomarc system. After that, the only continuing useful role, as I said, will be detection and identification to prevent bombers sneaking in and being well on their way before the ICBM's are fired. Our suggestion that we have a few interceptors for the identification role seems to us to make sense. It gives us some element of sovereignty over Canadian air space and provides a useful service to the United States deterrent. The government's present Bomarc program will be useless to prevent war and equally useless in case an all-out war should break out.

The minister in this respect, has been inconsistent. He told us in the committee on defence expenditures that the Bomarc is not a substitute for the manned interceptor, that it is complementary to it. However, a decision has been made by the government to go ahead and build a SAGE-Bomarc system which will not be, according to what Secretary Gates says, completely in operation until 1963, and yet at the same time, to be inconsistent, has not made a decision to replace the Canadian air defence squadrons. If the minister really believes that there is any such thing as air defence after the mid-1960's, he should have made a decision in respect of the air defence squadrons long ago.

Actually I suppose I should not point the finger too much in the direction of the Minister of National Defence because I think he has at least a view in connection with this matter. I believe this particular egg is in the Prime Minister's nest at the present time, and he is waiting to see what will be hatched from it. The minister has told us that the matter is under continuing consideration. He also told us that no quick decision should be made. Surely, you could not accuse the minister of making a quick decision on a matter which has been under consideration for at least a year and a half. If that is what this government calls quick, I should like to see what they call mature consideration. They call this continuing consideration, and that applies to most of the projects on which they have to make a decision.

In conclusion, Mr. Chairman, I should like the minister to tell this committee if, in his opinion, after the mid-1960's the contribution to the deterrent of the two Bomarc squadrons will be of any real significance. Will he answer me as to those objections that have been raised in respect of their vulnerability and uselessness in this time period? This is a serious thing. It is difficult, I know, for the minister to realize that by the time he gets this system into operation it will be obsolete and out of date. I should like his assurance that he has considered the matter fully, and I should like him to tell the committee if, in his considered judgment, he is satisfied that its usefulness, from the mid-1960's on, will be sufficient to justify the expenditure of one cent of the Canadian taxpayers' money.

Mr. Winch: I do not intend to speak more than one minute. I just have to express my admiration for the absolute consistency of the inconsistency of the hon. member for

Trinity. It was only about two hours ago that he had an opportunity of showing whether he thought the expenditure on NORAD should be continued, and he said yes. During the last five minutes he has been giving every reason he possibly could as to why NORAD is useless, inefficient and hopeless. I say I admire the consistency of his inconsistency. I am very proud of the fact that at least we have the courage of our convictions at all times.

Mr. Hellyer: I shall have to answer that short interjection which was put on the record.

Mr. Winch: Of course, the inspiration always comes from this group.

Mr. Hellyer: The hon. gentleman seems to be incapable of differentiation. If he had listened to this speech of mine yesterday, which he said he had read before it was delivered—

Mr. Winch: And heard it, too.

Mr. Hellyer: —he would have determined that whereas we take the position the SAGE-Bomarc program is not worth continuing because by the time it is installed it will be too late, we do say there is a continuing requirement for detection and identification. This requirement will continue to be essential for a number of years so the strategic air command, or whatever the unit in charge of the retaliatory power of the western world is called can be informed if there should be Russian bombers over Canadian air territory. You have to have some equipment to do that. We have also said that under the present agreement there are certain advantages in liaison which reduces the reaction time, and so on.

For that reason we have said that we could not go back on the agreement unless it could be proved that those functions could be carried out just as effectively outside; that has not been proved to our satisfaction. Surely the hon. gentleman can see the difference between those two points of view.

Mr. Winch: May I just add one word? I feel it is now time that this house came to a close, out of consideration for the C.C.F., because if it continues much longer the Liberals will have stolen many more of our policies.

Mr. Roberge: Mr. Chairman, as you know I had the privilege of serving on the special committee on defence expenditures. Surely that was not on account of my competency in the field of defence; it was only because I was also privileged last year and this year to serve on the Canada-United States parliamentary group and to serve on the special subcommittee on defence and disarmament of that group.

I was very sorry that I had to miss some of the meetings of the committee, because of some personal unavoidable circumstances, but when I was absent I was very ably replaced, I am sure, by my hon. colleague from Richelieu-Vercheres.

I just want to make a few brief remarks with respect to this first item. I do not want to go back on what was said by my leader and by my friend from Trinity as to how this committee was formed, as to when it was formed or as to how it functioned. The remarks I want to make relate especially to the army. It is my opinion that as it is now the army has not enough mobility. You know, Mr. Chairman, that in world war I it was a war almost of immobility. In world war II it became a mobile war after the German army moved very quickly through all the lands of Europe.

In the years to come there is no doubt that the army has to be, as I would say, super-mobile, and every device should be considered to make it mobile to the fullest extent. I think the army should be capable of being airlifted through its own airlift operations if possible; if not, through close coordination with the R.C.A.F. Also, troopships should be available at all times. If this is not possible on account of financial limitations, pre-arrangements should be made with commercial boat lines so that in the event of war on the continent of Europe reinforcements could be provided very quickly to our brigade group over there.

The next thing I want to speak of is national survival. That has to do, especially in Canada, with the army. Perhaps I may read the statement of the Minister of National Defence which was given to the special committee on defence expenditures. I am reading from the pamphlet that was distributed, which is entitled, "Information for the special committee on defence expenditures 1960". This pamphlet is dated May, 1960 and paragraph 15 reads:

> 15. Duties and responsibilities assigned to the army in survival operations became effective on September 1, 1959. On that date the national survival attack warning system commenced operations on a permanent 24-hour a day basis. Orders have already been placed for light rescue equipment and radiac instruments for the mobile units and sufficient quantities for training have now been delivered. By the end of 1960 most radiac and rescue items will be available to meet both training and operational requirements.

The next paragraph, No. 16, says:

> 16. The militia has been issued with sufficient equipment to start training in survival operations.

Additional rescue equipment will be provided this year in order that the reserve units can perform their full survival role.

It has been said that the strength of the regular army as of May of this year was 47,185, and the strength of the militia was 40,010. The role of national survival, of course, is specially related to the public in general. I read this in the Journal of the Stanford Research Institute, fourth quarter, 1959, volume 3, in an article by Mr. Rogers Cannell. I cite from page 182 at the top of the page:

People have been led to believe that one nuclear weapon could destroy an entire city, so they conclude that no type of protection can be effective. Preoccupation with this notion has obscured the truth: protective actions can be quite effective not only at distances from a target city but also within it.

Starting from that statement I think that in the United States as well as in Canada people do not appreciate the danger that may lie from an all-out nuclear attack. We all hope, of course, that there will be no such attack in our time or for very many years to come. But if it should come, people should know what to do.

We have also been told that one part of the task of the regular army is its operation with regard to national survival. I have read from the record that the regular army will be fully equipped this year. That does not mean that the regular army will be fully trained. I hope, and I suppose that the government's policy in this regard is that by early next year the regular army will be completely trained for that kind of operation. But the regular army has no direct and regular dealing with the majority of the people of this country. On that I think we should rest our case.

In my home town there is a militia unit of engineers. I know that they have started to train for survival operations. I also know that they are not fully equipped. I hope and urge the government to see that this reserve unit, like all other units in Canada, is fully equipped as soon as possible, and also that the militia will be fully trained in that regard.

It is my thinking that the regular army should be in constant touch with the militia and that experts in that field should be attached to militia units, to train them for survival operations. In turn, the public at large should, I think, be invited, when the militia is fully trained, to attend those training exercises so that the people will know what to do and what to expect in case of emergency.

More than that, the people of this country should be urged and asked to take part in those rescue operations and to take part in that training so that if it happens that there is an emergency, there will be no panic or anything of that sort among the people of this country. In that way the civilians of the country will co-operate fully with the militia in their own vicinity, and with the regular army.

In finishing, Mr. Chairman, I do not want to go further because, as I said before, I do not want to go too far. But I do think that every trooper in the militia should be fully trained in signalization and communications in order to establish prompt and constant communication with the general public in the event of an emergency. With this in view the Canadian people will know what to do.

I have one question I would like to put to the minister dealing entirely with another matter, and it is with regard to the Congo situation. I would like to learn from the minister later on if there is a French speaking unit which is to be dispatched to the Congo, because in that part, as we know, most of the people speak in French.

Mr. Fairfield: Mr. Chairman, during the course of this discussion both the Leader of the Opposition and the hon. member for Trinity complained quite often that the members of the special committee had little opportunity to ask or were prevented from asking any question relating to government policy in the defence of Canada.

I can assure you, Mr. Chairman, and hon. members of the House of Commons that they were certainly given every opportunity to examine our defence program. A good deal of latitude, far more than in previous defence committees, was given to the members of the committee in asking questions. Anyone who doubts this need only read the committee reports.

There were 26 meetings of the committee and the minister was given adequate time to explain our defence policy and the steps we were taking to carry out defence commitments, and all the members without exception, except when irresponsible statements were made and sometimes foolish questions asked, were given every opportunity to carry on their interrogation of the minister.

I would just like to give a rundown of some of the comments by the minister in answer to the criticism of the Leader of the Opposition. On June 1 the minister made a statement to the committee regarding the general defence policy and also in relation to the United Nations. On June 3 the minister made a statement regarding our participation in NATO; and on June 8, our participation in NORAD.

On June 10 the minister made some detailed remarks concerning national survival, and then the chairman allowed questions on all of these matters. Certainly they were not

debates, but I must say that a great many of these questions were prefaced by some very long statements. All these statements made by the minister were incorporated into a booklet of 37 pages entitled "Canadian defence policy", and this booklet is available to all members of the House of Commons. Perhaps they will now peruse this book and I hope the Leader of the Opposition looks at it as well and takes some cognizance of some of the statements made by the minister in answers to questions.

In order to substantiate these remarks I would like to cite a few of the questions asked by opposition members to show how much latitude they were given in asking questions about policy and how much information the minister gave in return. At page 372 of the committee report the hon. member for Trinity asked this question:

I would like the minister to explain, again, in greater detail why, when the Bomarc is supposed to be an area defence, following the long-range manned interceptors, it has not been the announced policy of the Canadian government to follow that plan.

In answer to this question the minister said:

I do not know that you can define the Bomarc and the interceptors as being a first line and a second line of defence. There are two elements in the defence of the North American continent against the bomber attack, interceptors and the ground-to-air missile; and those are integrated across the continent. Some of those elements are provided by Canada, and some of those elements are provided by the United States.

Perhaps this did not satisfy the hon. member for Trinity because on page 374 he asked this question:

—why did not the minister recommend that the funds of both the United States and Canada, which are to be, he hopes assigned to the Bomarc system, be allocated rather to a strengthening of the offensive and to the making of a more mobile offensive force?

In answer to that the minister said:

Because there has to be a proper balance kept between the two. We have strived to reach that at a reasonable balance, and, as you know, the United States are placing a higher proportion of their available funds into the development of the retaliatory forces.

Then the hon. member for Trinity asked this question:

Does NORAD have plans for weapons which would be of some effect against missiles launched from submarines?

The minister replied:

I have said several times that there is no weapon at present which is capable of destroying a missile which is launched either from a ground launcher, a submarine or an aircraft. The power of defence against those is the fear of retaliation, and retaliation would take place as soon as the missile is launched, whether it is launched from a ground launcher, an aeroplane or a submarine.

Then further on page 376 the hon. member for Trinity asked:

Mr. Chairman, it has been stated the main purpose of North American air defence is to defend the deterrent. I wonder if the minister would explain not only what is meant by that but also the mechanics by which it would operate, and what you might anticipate would happen in case of attack?

The chairman did not interfere and the minister did not hesitate at all in his reply. He said:

If there was an attack by bombers, or with the few missiles which the Russians may now have, I would imagine that the main attack, in the first instance, would be directly against the SAC bases, be they bomber bases or missile bases. As soon as the warning was given, I imagine many of the SAC bombers would leave the ground and possibly proceed in the direction of the targets to which they had been assigned. They can always be called back, as you know, once they have started. The defence would come into action against the bombers, hoping to destroy as large a proportion of the bombers as they could. In the meantime, if the Russian bombers continued and started using nuclear weapons, I imagine all the retaliatory forces, wherever they may be, would go into operation against targets in Russia.

These are quite clear statements of policy so far as NORAD and this government are concerned, and I do not know what more the hon. member for Trinity desires. On page 359 of the committee report the hon. member asked:

The suggestion has been put forward by the leader of the Liberal party that NORAD should become an integral part of NATO. What is the minister's feeling in respect of that suggestion?

The minister replied:

NORAD is part of the NATO concept in that it is looking after and providing the defence of the Canadian-United States region of NATO. This is so far removed, at the present time, from the European activities of NATO that I do not think the European members of NATO would have the time to be able to take an intimate interest in the Canadian-United States region. The activities in the development of defences of the Canadian-United States region are explained at the various NATO meetings. There never has been any indication from our European partners that would have any desire to take a part in the defences of this Canadian-United States region. They mainly are interested in the exchange of warning information. NORAD also is interested in obtaining the early warning from the warning systems in Europe. So the main point of contact is the early warning that can be given either to Europe by the Canadian-United States region or to the North American continent by the European system.

The hon. member for Burin-Burgeo asked this question as reported on page 374:

Assuming that hostilities broke out between Russia and the United States and that intercontinental missiles were used on both sides, would it not be necessary to have a follow-up by land troops to consolidate victory? I mean, would it be necessary for each side to follow up with land troops?

To which the minister replied:

> Not necessarily. One side or the other might gain such a decisive victory that the government of the other side would feel it desirable to sue for peace. I can foresee such devastating destruction delivered to Russia, if Russia had made the first strike, that the government would collapse and that there would be no necessity to have land armies to occupy Russia. It would be a question of rehabilitating those parts of the world which had been destroyed. That is the second phase of the war. It is pretty hard to predict the actual nature of that, but I certainly do not think that land invasion, as we used to know it, with long military operations, is inevitable.

I was interested this morning when the Leader of the Opposition was making his prolonged speech to note the inconsistencies between what he said and what was said by the official spokesman for the party on defence matters. In the well-publicized speech by the hon. member for Trinity he criticized the purchase of F-104 aircraft for our air force in Europe and argued that we should get an aircraft of a different type which would be of greater use as a low altitude tactical weapon. On the other hand, this morning the Leader of the Opposition said we should not go into this sort of business but we should have high altitude supersonic interceptors.

Mr. Hellyer: The Leader of the Opposition endorses the policy I put forward in that respect.

Mr. Fairfield: Then I think you should get together in reading each other's speeches or at least have somebody writing those speeches to combine them to some extent so that they might be at least consistent. The Leader of the Opposition said this morning he thought it was very important that our troops should be trained to be airborne so that they could be flown for service anywhere in the world where they might be needed. That is quite different from what was said by the hon. member for Trinity who advised we should have naval craft to carry our troops in assault landing craft instead of aircraft.

Mr. Hellyer: They should be able to get anywhere they are going.

Mr. Fairfield: There is a little difference in time involved. I should think it would be impossible to have these men trained to be airborne in addition to receiving training in connection with assault craft landings.

Again, this morning the Leader of the Opposition said no time whatever was given to this question of psychological warfare. As a matter of fact I think this subject came up a number of times in the committee. It was brought up by the hon. member for Burin-Burgeo, and he brought in a book by one of the leaders of Moral Re-Armament and tried to stuff it down the throats of the committee.

This was the psychological weapon of the Liberal party. I agree it is possibly the strongest weapon in Moral Re-Armament. But at least, after deliberating and hearing some of these arguments on Moral Re-Armament the committee decided that although it might be a consistent policy it was not suitable for discussion.

So that all in all I think this government has been very consistent in its defence policy. Certainly the committee had every opportunity to discuss policy, and used that opportunity, and I think the Leader of the Opposition and the hon. member for Trinity have been less than honest in stating that there was no time given to the members of the opposition to discuss questions of policy or to ask questions about policy.

Mr. Carter: I wish to correct one of the statements made by the hon. member who has just resumed his seat. I did not produce any book put out by Moral Re-Armament in the committee. It was a NATO handbook published by General Carpentier retired commander of allied forces in central Europe.

Mr. Fairfield: And leader of Moral Re-Armament too?

Mr. Sevigny: Before this item carries I should like to make a few comments on the speech we heard from the hon. member for Trinity, with the refusal of members of the Liberal party to consider in its proper aspect the Bomarc weapon and the reason for the existence of this weapon. I should also like to comment on what the hon. member said concerning NORAD. I heard the hon. member for Trinity mention that according to his information in the second half of the sixties such weapons as the Bomarc would become completely useless.

The hon. member was no doubt basing this statement on the fact that in his opinion missile development would then have reached such a stage that the main threat would be from intercontinental ballistic missiles rather than from any other form of weapon. I should like to remind the hon. member that though there may be a certain validity in this, though in the second half of the sixties the threat of a missile attack will be intensified, the fact still remains that there will be a gap of five years during which we could expect an attack by manned bombers, and I should like to remind the hon. member of the fact that the Bomarc surface to air missile as well as the interceptor are weapons which are meant to defend our country against the possibility of such an attack by manned bombers.

Surely the hon. member for Trinity, who obviously has given a great deal of study

to defence matters, would not suggest to this committee or to the people of Canada that we should be left completely defenceless during those five years. Surely the hon. member must know that the Bomarc program is an integrated program which has been put together by the best military brains of both the United States and Canada. The purpose of this program is to protect our main centres and especially our strategic air command bases against the possibility of an attack by manned bombers. It is a program which is conducted on a co-operative basis, not a program which is conducted on a purely Canadian basis. In other words we have not decided here in Canada to have just two stations which will perform in solitary splendour. The function of this weapon is to protect two regions in Quebec and Ontario. Other stations are meant to protect the maritime regions and other densely populated sectors in the eastern area.

Surely, Mr. Chairman, it is rather futile to call useless a program on which so much money has been spent and into which so much effort has been put. I should like once again to remind the committee that a sum well in excess of $2,300 million has been spent in order to render effective this Bomarc weapon, and truly,—

Mr. Hellyer: Will the minister permit a question?

Mr. Sevigny: Yes.

Mr. Hellyer: Will the minister say that the amount of money which has been sunk in a program is any criterion of its future usefulness?

Mr. Sevigny: If you consider the well known competence of our southern neighbours it will become quite obvious that if they had considered this program was of no use at all they most certainly would have stopped the spending of those enormous sums of money well before spending the fabulous sum of $2,300 million. The very fact that they decided to carry on this program is indicated by the repeated successes which we have witnessed quite recently at the Bomarc B trials. Surely, Mr. Chairman, if the Bomarc B effort is some measure of defence against the possibility of a manned bomber attack, if those Bomarc B's succeeded in destroying some of the attacking bombers, surely the installation of these Bomarc B stations are worth the sum of money which we in Canada are asked to spend on this particular weapon.

I repeat, the sum of money which we shall be called upon to spend on the installation of the Bomarc B stations is only $12 million which in relation to the sum of money which our powerful neighbours will spend is truly not too much. Furthermore, I must bring to your attention a very serious contradiction which we have noticed in the hon. member's so-called bold program for national defence. On the one hand he advocates the complete elimination of the Bomarc stations, and he also advocates that we dispense with the development of the installation called SAGE. In other words, he would like to scrap everything and yet another part of this bold program is to replace the CF-100 by another interceptor. I certainly will not go against this suggestion which I think has its merits, and which is being studied; but I should like to draw to the attention of the committee the fact that these new interceptors, which the hon. member in his new bold program would like to see in Canada, could hardly be effective and operational without the existence of this installation called SAGE. How can he on the one hand ask for the scrapping of the SAGE installations, and on the other hand ask that we purchase or use interceptors which can hardly be operational unless we have these very SAGE installations?

I should also like to comment on what I heard the hon. member say about NORAD. I do not know who the great military advisers of the hon. member can be who advise this policy of scrapping our ships, scrapping Bomarc, scrapping this and scrapping that at the same time as we increase or keep at the same level the national budget. But surely those advisers cannot be as clever or as competent as those men who are actually at the present time protecting us at NORAD. The officials and senior officers of NORAD are the most experienced officers of the United States and the Canadian services, and they are trying to provide for this country, for this continent in fact, the very best defence that can be devised. I for one, and I feel that the majority of the members of the committee will join me in this, have far more confidence in the military valour and the military knowledge of those men who are guiding the destinies of NORAD than I have in the military advisers of the hon. member for Trinity or, if he has no advisers, in his own strategic and tactical competence in service matters. I do not believe that the hon. member for Trinity, nor the colleagues of the hon. member who sit in the official opposition ranks, are really serving the interests of Canada by deliberately belittling the efforts of those who at NORAD are contributing so much to the defence of this continent.

Before I resume my seat I should like to say I am shocked, as most members of the committee and as most sane thinking Canadians must be at the present time, at the

realization that this so-called glamorous and bold defence policy which has been dinned into our ears since we started this session and for quite a while before resolves itself into the suggestion that we scrap everything, that we build nothing and that we completely eliminate all defences, thus leaving the North American continent and this nation exposed to a vicious and violent attack from our potential enemy.

If the hon. member for Trinity, his advisers, his colleagues and the Leader of the Opposition had come forth today with constructive suggestions, which would possibly give us a chance to improve our defences, the defences of this country, and our policies for the protection of our citizens, I can assure them that we on this side of the house would have been the first to accept those suggestions, because we fully realize that the problem of defence is away beyond and above political controversy; but it is truly almost shameful to think that hon. members of the opposition have deliberately deceived the Canadian people by making them believe—

Mr. Winch: Be careful, now.

Mr. Hellyer: Mr. Chairman, on a point of order, not only has the minister just presented the house with a bald, unadulterated lie in his interpretation of what we have put forward in this debate, but he has imputed motives in saying that we deliberately deceived—

The Chairman: Order. I think that the minister went beyond the rules of the house in saying that the members of the opposition had deliberately deceived the people of Canada but I think that the hon. member for Trinity was equally guilty in using the words he used. Therefore I think the two hon. members should correct their remarks.

Mr. Hellyer: On the point of order, Mr. Chairman, if the minister will relate all the positive programs we put forward in our policy, I will withdraw what I said.

The Chairman: I did not put any condition on my demand, and I am sure that both hon. members will correct their statements unconditionally.

Mr. Sevigny: Mr. Chairman, I admit that possibly the expression I used went a bit too far and was not quite parliamentary. I therefore withdraw the words "deliberately deceived", but I do not think that even the well known susceptibility of the hon. member for Trinity, which has been tried so frequently during the last two days, will be offended if I say instead that they were possibly inadvertently deluded into the belief that they had a policy. The fact of the matter is, Mr. Chairman—

The Chairman: Order. As far as the point of order is concerned, as the minister has withdrawn the expression he used, which was objectionable, I think we should give the hon. member for Trinity a chance to do the same.

Mr. Hellyer: Mr. Chairman, on the basis that the minister has withdrawn his imputation with respect to motives I will withdraw what I said except in respect of the minister inadvertently having left out of his appreciation of the policy we put forward all of the positive alternatives we have placed before the house and the country for consideration as opposed to the present policies of the government of Canada.

Mr. Chambers: It was you who left them out.

Mr. Sevigny: Mr. Chairman, I accept the withdrawal of the hon. member for Trinity. I appreciate the fact that he also accepted my withdrawal, and I shall continue. As I was saying, it seems that hon. members opposite were inadvertently deluded into the belief that they had a constructive policy, and they actually raised a great hue and cry over this great policy that they were going to offer. I confess that I for one was quite anxious to hear what this great policy was going to be. I must say that I read with interest yesterday what appeared in the *Citizen* and which the hon. member repeated afterwards in the house most eloquently.

But I was shocked to see that this so-called bold, illuminating defence policy which was being offered to the committee contained almost nothing except some suggestions that we possibly could carry on with a course that we had already explained to the house we were trying to follow. It seems to me, that to criticize when actually it is almost admitted that there is not much to criticize, to put before the country the view that everything is wrong, that everything is just going to pot, that we are defenceless, that we have nothing—

Mr. Hellyer: You said it.

Mr. Sevigny: —that the leaders of the government and the service chiefs and so on do not know anything; to say that they and their advisers know it all and will eventually come forward with a great Liberal policy and then to produce nothing is, I must frankly say, a shameful waste of the time of the committee and is certainly not the way to serve the Canadian people who must have confidence in those who are entrusted with

the responsibility for defence and who certainly deserve better than the rather inane and inept suggestions we have heard in this defence policy.

(Translation):

Mr. Chairman, closing my remarks in French, may I recall an old saying to the effect that when one has nothing to say and nothing to suggest, it is better not to say anything. In other words, one should not waste the time of the House of Commons of the Canadian parliament, and it is certainly better, on such an important subject as national defence, to keep a respectful silence with regard to the able and efficient work done by those who are responsible for protecting the Canadian nation, rather than to waste the time of so many people with inept statements such as those we heard in the speeches made by the members of the official opposition since we began consideration of the Department of National Defence estimates.

(Text):

Mr. Hellyer: Mr. Chairman, this debate seems to have accomplished a great deal so far by introducing a positive, constructive alternative to the government's waffling and lack of policy in defence matters. We have at least provoked a debate on the subject of national defence and I think that in itself is very worth while. Not only that, we have brought out of the closet the Associate Minister of National Defence and this we welcome. This is a development of some importance.

The minister, who until now has been in relative obscurity, has come forward at last, stood on his feet and said something about national defence. For a long while we heard nothing at all from him. The special committee on defence expenditures met for 27 days, but where was the Associate Minister of National Defence during all that time? Why was he not at the side of the Minister of National Defence during those meetings? Where was he? Was he closeted somewhere? What was he doing? Why was he not there to answer questions and to listen to and take part in the discussion so that he would be as familiar with these matters as other hon. members are? We could never figure out what had happened to the Associate Minister of National Defence.

On the second last day of the committee's meetings the Minister of National Defence could not be there and a very able departmental official answered questions for us. But the Associate Minister of National Defence could have been there to substitute for the minister on that occasion and we regret that he was not able to take the time to do so. Up to now all we had heard about him was that he had gone to the city of Toronto and had taken a prepared speech with him about the Avro Arrow which he read to a Progressive Conservative businessmen's group. What did he say? He started off by saying that he had prepared the speech. The same speech had been made a few days before to the defence expenditures committee by the Minister of National Defence who also said that he had prepared the speech. One of them had had a lapse of memory. I do not know which one it was but obviously they both could not have prepared the same speech.

Mr. Aiken: Maybe they both agreed.

Mr. Hellyer: The speech he has made today was not the same. It was longer but at least it was not the same. We welcome this emergence of the butterfly from the cocoon. Now the Associate Minister of National Defence has come forward in the house and has begun to make himself heard. This is a worth-while development and we hope we will hear a great deal more from him in the days and weeks that lie ahead. However, he still has not learned about some of the fine points. I appreciate the difficulty he has but this is really no excuse. With reference to NORAD, for instance, he has said that the military officers of NORAD are pre-eminent. They are excellent officers who do their jobs in a most efficient fashion.

Mr. Sevigny: It is high time you said so.

Mr. Hellyer: They are first-class officers, but I feel sorry for them in the environment in which they are working. They have not been given a chance either by the Canadian or the United States governments. The future that faces them, in view of the lack of effective defence against intercontinental ballistic missiles, is a bleak one and puts them under the difficulties which that situation creates. The Minister of National Defence has said that we should listen to their advice. He and his government did not listen to their advice. They advised the Canadian government to go ahead with the Avro Arrow.

Mr. Pearkes: How do you know that?

Mr. Hellyer: They said we should have defence interceptor squadrons. They came to Ottawa to try to persuade the Canadian government to go ahead with the production in Canada of long range interceptors. What did the Canadian government do about it? They did absolutely nothing. Why then, if you value this advice so much, do you not take it, or do you not believe it? Do you feel your judgment is better than theirs? If you do, why do you question anyone else who differs with them?

Even within military circles there is no unanimity. This is inevitable when you reach a state of change in military affairs such as we presently have before us. You are not going to get complete agreement amongst all people. How would you expect to do that? There is even disagreement amongst the United States forces themselves. The air force in the Pentagon does not agree completely with the NORAD commander in chief. If the hon. gentleman had taken the trouble to read the evidence presented before the house and senate committees of the United States he would know that. NORAD has asked for all sorts of things, and the chief of the air force said, we cannot give it to you; we do not feel it is a justifiable expenditure of the public funds of the United States under these circumstances. Surely the hon. gentleman recognizes, then, that it is not unreasonable for someone else to stand up and question any other recommendations made by the same command in respect of the expenditure of the public funds of Canada.

This is especially true, after this program was knocked out by congress, in its wisdom. Congress had no confidence in it. They listened not only to General White, the chief of the air force, but they listened to General Kuter. They were so interested in what General White has said about the Bomarc-SAGE system, and that created so many questions in their minds, that they wanted to call General Kuter in order to get his personal views. They got General Kuter to come to Washington and present his case, present the problems of his command and put forward his requests. They listened to those views, but they did not accept them. General Kuter did not get anything like what he asked for before the house and senatorial committees. The associate minister should at least know that. So, obviously the senate, congress, the air force, the joint chiefs of staff in the United States and the president disagreed with what the NORAD chief had requested. They all thought that under the existing circumstances and the available amount of public funds there were uses to which the money could be put which would be more in the public interest than fulfilling the total requirements of that command. Yet the minister has the audacity to come in here this afternoon and suggest that anyone who differs with a military commander is out of order.

This is a strange policy and a strange suggestion now on the part of the associate minister. Then, Mr. Chairman, the piece de resistance, is that the associate minister says that for five years at least the threat of the bomber is the great thing.

Mr. Sevigny: Can you deny it?

[Mr. Hellyer.]

Mr. Hellyer: We are going to hear something about the great unanimity on the other side of the house now. This is not what the Minister of National Defence said in this committee last year on July 2, 1959 when defence estimates were being considered. As reported at page 5350 of *Hansard* for that date, the minister said:

> In the early 1960's it is expected that the ballistic missiles will have reached a stage of reliability whereby such missiles will replace the bombers as the primary means of delivering nuclear weapons on North America.

In the early 1960's the minister said that missiles would replace the bombers as the primary means of delivering nuclear weapons on North America.

Mr. Sevigny: That does not mean there is no threat from bombers.

Mr. Hellyer: I continue the quotation:

> However, if an attack on this continent is made in the early 1960's it is considered quite probable that a variety of weapons would be used in an effort to saturate the defences and thus deliver a devastating attack.
>
> This kind of attack would include ballistic missiles, both long and short range, land based or from submarines, as well as other nuclear weapons delivered by aircraft. As most of the major strategic targets are situated in the United States it is more than likely that certain targets in Canada would be attacked by bombers, although the primary threat would be from the ICBM's.

This is the Minister of National Defence saying that in the early 1960's the primary threat will shift from the manned bomber to the intercontinental ballistic missiles and other missiles. Does the associate minister disagree with the view expressed by the Minister of National Defence on that occasion?

Mr. Chambers: There is no difference in what he said.

Mr. Hellyer: Does he deny that two or three years hence this will be much more so, that the total capacity at that time of intercontinental ballistic missiles will be three, four —I do not know how many times—what it is at present? Does the minister deny this? Does he deny that under those circumstances, in the event of an all-out war in which Russia chooses to attack, first, that all the major targets on the North American continent—yes, even all the major cities and all the Bomarc sites could be obliterated with the first blow. Does he deny that? If he does, let him rise in his place and say so.

Mr. MacInnis: You denied it yourself yesterday.

Mr. Hellyer: If he does not deny it, then why does he say a couple of Bomarc squadrons will make any difference by the mid-1960's and beyond?

Furthermore, he said the interceptors we had recommended for the identification role would not be effective without the SAGE system. Can the minister tell us if the SAGE system is presently in operation, and if this is necessary for the CF-100's? If it is, why has the minister these nine squadrons in existence at the present time? Does the minister deny that aircraft can carry its own radar? Does the minister deny that an aircraft can work independently of SAGE under any circumstances? Even if he should deny that, what possible use, under some circumstances at least with an all-out attack, which is what we are considering, would the SAGE system be when it is soft, when it has a whole mass of electronic equipment on top of the ground which could be knocked out with one grenade or one missile.

Mr. Sevigny: It would have to be a big grenade.

Mr. Hellyer: Yes, it would, but it would not take much of a grenade to knock out an electronic computer of that complexity, and the minister knows it.

The Chairman: Order; it being five o'clock, the committee will interrupt its proceedings to consider private and public bills.

Progress reported.

PRIVATE BILLS

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence pursuant to standing order 15.

Mr. Churchill: I wonder if it would be agreeable to the house to resume the consideration of the estimates, as has been done on several occasions recently.

Mr. Chevrier: So far as we are concerned, yes, Mr. Speaker.

Mr. Howard: Because of the failure of other agreements, Mr. Speaker, we reluctantly agree.

Mr. Speaker: Is it unanimously agreed that the house will waive the hour for consideration of private and public bills and revert to the business interrupted at five o'clock?

Some hon. Members: Agreed.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

Mr. Sevigny: Mr. Chairman, I have listened with great interest to the eloquent exposé of the hon. member for Trinity. I should like to explain very briefly a few personal things in answer to what he said. It is quite true that I have not risen too frequently in this house, but there is a reason for this. I do not believe I should rise in my place unless I have something specific to say. I would suggest to the hon. member for Trinity that if he observed this principle that there is strength and beauty in silence he would not have exposed this committee to the gentle, but always inept, nonsense we have heard from him since this session started. It is really rather amusing in a way, Mr. Chairman, but also rather boring in another, to think that so much time of this house has been wasted by the hon. member for Trinity.

Mr. Hellyer: Why do you not talk about the issues?

Mr. Sevigny: But eventually at one time he decided to come out with this nonsense that we heard yesterday in this lengthy speech of his. Speaking of speeches, the hon. member referred to a speech which I made in Toronto a few months ago. He claims that I took this speech with me and that I went to Toronto and made such a speech. Mr. Chairman, I can tell you this—and the hon. member for Trinity can ask all those people from Toronto who heard me—that I went there and spoke without notes. I did not read my speech; I delivered my remarks, and those remarks were actually prepared by myself and said by myself; they were not prepared by anyone else or said by someone else.

Some hon. Members: Hear, hear.

Mr. Sevigny: I noticed this yesterday, though, because I was following the hon. member's text, which he had been gentlemanly enough to provide to us, in a way which is well known now, and I followed him closely for 42 pages. He did not depart one single word from what was written in that particular text.

The hon. member also referred to the fact that I was absent from the sittings of the committee. The hon. member should know one thing. The reason why the position of Associate Minister of National Defence was formed by a previous government was because it was considered that there were possibly too many functions in that particular department for one man and that it was advisable to have an associate minister who would divide the work load with the Minister of National Defence. The hon. member must

be aware of this because, unless I am mistaken, I believe he occupied the position of associate minister of national defence. But it may be that it was for so short a time that possibly he did not have time to acquaint himself with the various functions.

I well remember that his tenure of office was something like three weeks, when in a very unexpected fashion for the hon. members opposite something happened on June 10, 1957, which prevented the associate minister of national defence at the time from carrying on with his illuminating knowledge of defence and the illuminating suggestions which he no doubt would have given to the officials.

Mr. Hellyer: Mine has improved since; that is the difference between us.

Mr. Sevigny: I think we have now said enough things to each other for the present. May I quite frankly tell you that this is all said without malice of any kind, because I do have a great deal of respect for the many qualities of the hon. member for Trinity, although I find his ideas on defence somewhat diffused, confused and, let us say, nonsensical, saying that in a gentlemanly way.

Mr. Hellyer: You will appreciate it in a year or so, when you catch up with it.

Mr. Sevigny: The hon. member can resume his remarks later. He blamed me for stating that there was a threat from manned bombers during the next five years. It is quite true that the main threat certainly lies in the fact that some missile may come from nowhere and destroy some of our cities.

It may be—I do not know, quite frankly—that the primary threat is from these intercontinental ballistic missiles and that this threat will increase. It is also quite true that there is not at present too good a defence, if any defence at all, against such missiles. But the fact remains that there is also a threat against which there is a defence, and that is the threat of the manned bomber. To fight manned bombers we need to have Bomarc B surface to air missiles and various types of interceptors. This at present is the only way that we can give to the Canadian nation, to the North American continent, a suitable defence, and because we believe that it is our duty to give to this continent and this nation the very best form of defence against such a threat while the threat exists, we do not hesitate to carry on with this program of air defence which we have at present and which is advocated by NORAD.

A short while ago the hon. member referred to the fact that he had a great deal of respect for the service chiefs who operate at NORAD, and he referred to General Kuter. At the time when the hon. members opposite were trying by every means at their disposal to decry the Bomarc A and the Bomarc B program, when they were trying to ridicule those who are trying to give this country the very best defence, this very man whom the hon. member for Trinity saluted a while back as one of the leading military figures of America was the one who was saying to the United States congress and senate that the Bomarc B was a useful weapon. He was asking them to review their decision. This decision was reviewed and the estimates were reinstated and increased by the sum of $75 million.

Surely everybody cannot be crazy in the United States congress and the United States senate, at NORAD and in this parliament. I think it is high time for hon. members opposite to stop this absolute nonsense of asking that this nation be left unprotected for the next five years just because they refuse to admit the common sense of our well organized and well planned present defence policy.

Some hon. Members: Hear, hear.

Mr. Winch: I do not happen to have the position of associate minister of national defence; but after listening to that hon. gentleman for the last five minutes I want to say that I have never heard a greater disservice given the people of Canada than he has been expressing in that time.

Some hon. Members: Oh, oh.

Mr. Winch: He gets up, with all his great eloquence, and I presume he thinks he is speaking with authority when speaking about the need for the defence of Canada, and speaks about a manned bomber attack, and then he tells us what he has just told us about the Bomarc. That is, I think, the most stupid statement ever made in this House of Commons at any time on any national defence policy.

Mr. MacInnis: He is speaking from experience also.

Mr. Winch: You only have to go back to speech after speech after speech of the Prime Minister, speech after speech after speech of the Minister of National Defence telling us that the potential attack is the intercontinental ballistic missile. Go back to this very parliament and you will find it in *Hansard*, you will find it in the minutes of the committee, and you will find it in public statements half the time.

Then there was a little bit of a change. Yes, there was still the threat of the manned bomber. All right, there is still the threat of the manned bomber. We listened to the

Associate Minister of National Defence when he spoke of his interest in the defence of Canada against the manned bomber. There are the Bomarc sites. The Bomarc, as yet completely untested and unproven—

Some hon. Members: Oh, oh.

Mr. Sevigny: How can you say that?

Mr. Winch: Eleven tests, and two hit the target. However, suppose they do work it up so it will hit the target every time; we will have two Bomarc stations in Canada, one in Ontario and one in Quebec. I do not know whether it is supposed to be security or classified, but I think that each one has 23 launching pads. I say that because I read it in a magazine; I did not get it from the Minister of National Defence. Sometimes these magazines seem to know a damned sight more about what goes on, and where locations are on defence, then what the government confides in the members of this house. My definite knowledge is of two Bomarc sites. If I am right, they have 23 launching pads on each, and even if they reach the ultimate acme of success the range is 400 miles.

I do not know whether the associate minister knows but Canada is 4,200 miles across. Ottawa is important, North Bay is important and Montreal is important, or wherever the closest Bomarc site is. But we also have to have protection for Winnipeg, Vancouver, Regina—

Mr. Horner (Acadia): What about Calgary?

Mr. Winch: No, I will not forget Calgary, nor Edmonton which is further north. We understand that outside of North Bay and this place in Quebec we are now protected by Bomarc sites south of the Canadian border. If they have the Bomarc A its range is 224 miles. If they have the Bomarc B and it is successful, it is 400 miles. How about Victoria? How about Nanaimo? How about 600 miles north to Prince Rupert? How about Edmonton, Regina, and the rest of Canada?

The hon. minister got up and appeared to be overcome with the verbosity of his own eloquence a few months ago about Bomarc sites in the defence of Canada. Maybe I am vehement too, but there is some sense in what I say.

Some hon. Members: Oh, oh.

Mr. Winch: It is the Bomarc against the manned bomber. If the Bomarc is the defence of Canada against the manned bomber you had better have it all over Canada, because it goes from the Atlantic to the Pacific. I think it will be obsolete before we ever get it, as is the CF-105 and the $500 million involved.

Mr. Sevigny: What do you suggest as a replacement?

Mr. Winch: Let us have a little bit of common sense in this matter.

Mr. Sevigny: That is what we are waiting for; let us have it.

Mr. Winch: It should come from the Associate Minister of National Defence. If what is said about Bomarc is correct, why only two in Canada? What about the rest of Canada? Also, once a Bomarc missile has left its launching pad it can never be reclaimed. So with 46 Bomarc missiles we have shot our bolt. Do you think anyone who would make an attack on Canada is only going to have 46 missiles or bombers? Of course the rest will come in great numbers and they will get through. Let us not kid ourselves; if anyone makes war on the United States and Canada, it will be all-out. If they get through it will be thermonuclear war, and if thermonuclear war comes, there will be mutual suicide and annihilation, as I said last night.

If we are going to spend millions of dollars, let us do it on a sensible basis. I say with all respect let us not do what is a betrayal of the people of Canada, for an Associate Minister of National Defence to try to leave the impression that two Bomarc sites is going to defend Canada against an aggressor.

Mr. Sevigny: Mr. Chairman, on a question of privilege, I rather object to the reference to my remarks as a betrayal of Canadian citizens. I believe that when the time came to serve my country I served it with some sacrifice. I frankly object to being referred to as one who would betray the interests of these Canadians whom I tried to serve when the time came for such duty.

I also rather object to the reference of the hon. member for Vancouver East that what I said was complete stupidity. What I am going to call stupidity is what he has just said, and what I am going to call stupidity is the obvious ignorance of the hon. member who, in spite of the fact that he sat through 26 sittings of the committee on defence expenditures, comes in front of this committee to show that he has learned nothing, is willing to learn nothing and knows nothing. Surely, Mr. Chairman, the hon. member should have enough sense after 26 sittings to learn a little more and to know a little more about the system of North American defence than what he has indicated; and surely he has had many occasions to attain knowledge about the operations of the Bomarc missile, the Bomarc stations and the protection of our country

and should have inquired elsewhere than from some magazine where he picked up some doubtful information.

Frankly, Mr. Chairman, if anything is stupid it is what we have just heard from the hon. member for Vancouver East, and I for one would like him to withdraw the insinuation that I would at any time betray my country.

Mr. Winch: Mr. Chairman, I plead guilty. I did attend 26 meetings of the special committee on defence expenditures, but I do not know why I should come under condemnation because I learned nothing, when the associate minister did not attend one meeting of that committee. I at least was there for 26 meetings. I never missed one meeting and I never saw him stick his face inside once. I at least was there. That is perhaps one of my disillusionments, that after 26 meetings we could not learn a great deal.

My hon. friend does not like my word when I said I thought his attitude was a betrayal of the Canadian people. Perhaps in parliament we are getting a bit touchy at this late time and I withdraw the word betrayal. I say that his statement is a disillusioning presentation to the people of Canada.

I only have one more word to say, and this I say with all respect but with a great deal of regret. I honour, and everyone in this group honours, every member of parliament honours, and every citizen of Canada honours those who have served and have suffered in wars on behalf of Canada. No one would detract nor derogate in any way from the service of the hon. Associate Minister of National Defence, his service or his wound. But I do want to say that it is the last defence of a man who has no conclusive, reasonable or logical argument, to try to present his case before this House of Commons or on the election platform by winding himself in the flag and telling of his service and his wound. I regret this very much, because we honour those who served, those who suffered, and particularly those who died. But in the House of Commons we are discussing matters of today and of the future. Surely we can do that on the basis of reason, of argument, and of love.

(Translation):

Mr. Denis: Mr. Chairman, I have been listening with close attention to one of the first speeches of the Associate Minister of National Defence (Mr. Sevigny). He says he is just a beginner at it. Well, his beginning reminds me of the beginning of the Bomarc: it is off the mark. He will need seven or eight more trials before he hits the target. It must not be forgotten that, for several years now, they have been waiting for this famous Bomarc in Mont Laurier, but it has not shown up yet.

I assume that, probably in view of a by-election, there will be works done in that area to give the member for Labelle, who now rests in the Senate, an opportunity to tell the people of Labelle that he has fulfilled his promises. Indeed he is surely aware that already contractors, labourers, workers, even buses have been mustered, because hundreds of people in Mont Laurier and vicinity had been promised jobs on the construction and installation of a Bomarc launching base.

I am therefore rather amazed that the Associate Minister of National Defence cannot accept specific suggestions from the opposition, such as have been forthcoming steadily from the hon. member for Trinity (Mr. Hellyer). Of course, we are unlikely to marvel at the millions of dollars poured into national defence, when we realize that we have no ships to transport our troups and no planes for our airmen.

The Minister of National Defence has pointed to the recent sending of 200 persons to the Congo as an illustration of the efficiency of the Department of National Defence. I consider this as a rather lame argument. Just two days ago, I think, in a T.V. interview, Major General Macklin pointed out that the money spent on national defence has brought extremely poor returns judging by the degree of protection we enjoy in Canada.

I have here a clipping from Montreal's *La Presse*. I shall read it out in full because it is highly topical. It is an editorial from *La Presse*, of August 5, this Friday, and it is entitled:

Out of tune violins.

The Associate Minister of National Defence will be able to judge, when reading this, whether the opposition has a right to criticize national defence estimates, or whether opposition members criticize just for the fun of it, for the pleasure of belittling, whereas the opposite is true.

In fact, the Minister of National Deence should just read and reread the speech of the hon. member for Trinity (Mr. Hellyer), because, as he said, it was printed word for word in yesterday's papers.

The title of the editorial is:

Out of tune violins.

General Pearkes maintains that critics of the government are wrong when they speak of confusion in national defence. In proof of this he refers to how fast his department was able to send 200 Canadian troops to the Congo. That rather childish way of saving face reminds us of a scene where, in his famous film "The Dictator", Charlie Chaplin felt he was able to support the earth because he could toy effortlessly with an inflated rubber globe—

Mr. Lambert: Who wrote this? Who is that expert?

Mr. Denis: This is an editorial in a great French language paper called *La Presse*.

Mr. Lambert: Who is the expert?

Mr. Bruchesi: Who signed it?

Mr. Denis:

Between the despatching of 200 men to Africa and the homogeneity of a general national defence policy, there is as much correlation as between a toy kite and a Bomarc—

No confusion? Let us go back a bit over recent developments.

On June 30, Mr. Pearkes spoke of an exchange of diplomatic notes between Canada and the United States with regard to warheads for Bomarc missiles. The minister of External Affairs, Mr. Green, had just denied that there had been such exchange, and when the opposition wanted to confront the two ministers in the committee of national defence, the proposal was rejected.

On July 15, Mr. Diefenbaker answered "No", when asked by Mr. Pearson whether the government was considering the possibility of reducing the strength of our armed forces.

On July 20, Mr. Pearkes "confirmed", in the committee on defence, that his department was considering the possibility of reducing our military strength so as to be able to spend more for the acquisition of scientific armament.

On July 21—

(Text):

Mr. Chambers: Mr. Chairman, on a point of order, I do not believe it is in order to read an editorial commenting on a question that is before the committee and I should like to refer you to citation No. 157, paragraph 5 of Beauchesne's fourth edition which reads:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Mr. Chevrier: On the point of order, it is quite clear it is the privilege of any hon. member to do what the hon. member for St. Denis is doing within the language of citation No. 157, and the section which the hon. member for St. Lawrence-St. George quoted does not apply to what is being done because the editorial does not refer to or comment upon or deny anything said by a member. That really is the gist of the citation read by the hon. member for St. Lawrence-St. George. On the other hand, citation 157 (1) says:

The practice of reading extracts from newspapers to support an argument in debate has been followed in the British house since 1840 when Speaker Peel, with the acquiescence of the house, allowed a member to proceed to read passages from a newspaper. In 1856, when a member was called to order for reading an extract from a newspaper, the Speaker stated that on former occasions when he had attempted to enforce this rule he had been over-ruled by the house. A similar statement was made by the chairman in committee on the 9th March, 1857.

I could go on to refer to paragraph 2 of the citation, but I should like to bring to your attention, Mr. Chairman, that on numerous occasions it has been allowed by the Speaker in this house to read editorials or parts of editorials to support the argument being made. It has not been the practice, nor is it the practice to do that on the orders of the day when questions are being put, but this is another occasion altogether and I submit with deference that the first part of this citation aplies.

Mr. Chambers: I should like to offer one further citation. In citation 157 (6) it is stated:

On the 17th March, 1933, a member quoting a newspaper in debate was ruled out of order by the Deputy Speaker who said: "The rule is quite clear, that the quoting of a newspaper, an author or a book which reflects upon debate before the house, either directly or indirectly is entirely out of order, because members are here to give their own opinion and not to quote the opinion of others... Members may quote an article or a book stating facts, but a commentary on any proceeding or any discussion in the house, with the object of swinging an opinion to one side or the other, is out of order.

This is clearly what the hon. member has been doing. He has been reading an editorial, not a news item.

(Translation):

Mr. Denis: Mr. Chairman, a point of order has been raised concerning some statements I quoted. I must say right away that I fully endorse those statements to the effect that the ministers brought forward very poor arguments indeed to prove that we have here in Canada a really effective weapon for our defence, and that moneys spent on defence are well spent, especially when we are given as proof the fact that it was possible to send 200 Canadian soldiers to the Congo. Attempts are made to establish that the sums appropriated for national defence are adequate.

I also endorse other statements included in that editorial. Those are facts that took place in this house or elsewhere. Those are contradictions which were revealed previous to this debate and which are summarized in that editorial.

As a matter of fact, instead of reading that article I would only have to put the following question to the Associate Minister of National Defence.

Is it not true that:

On July 15, Mr. Diefenbaker replied "No" when Mr. Pearson asked him whether the government was considering the possibility of reducing the strength of our armed forces.

I could also ask the following question to the minister: Is it not true that:

On July 23, the Canadian Press, basing itself on the words of "a government spokesman" said that the new weapons would require an increase and not a decrease in the number of the armed forces?

At all events, the Minister of National Defence stated in the house, on August 3, that he could not see how Canada could reduce its armed forces. That statement is recorded in *Hansard*; I have not got the exact page here, but hon. members will remember, no doubt, the minister's statement. Furthermore, they may look up the record, as I do, and they will certainly find the page. In any case, if that statement I am quoting from the editorial is inaccurate, they only have to contradict it.

One day the armed forces are being reduced and the next day they are being increased, according to whether the statement comes from the Minister of National Defence, the Secretary of State for External Affairs, or, lastly, the Prime Minister. Today, we have a fourth one in the person of the Associate Minister of National Defence, who is trying his wings. I hope he will continue to practise, and that he will be more successful than the Bomarc which he is trying to protect.

Consequently, Mr. Chairman, when we are deciding to change weapons, I believe it is elementary that we should seek to replace them by more efficient ones, which have proven their worth in previous tests.

Mr. Chairman, as the previous speaker said, it seems that the ministers are satisfied that the Bomarc made good because two of the 11 tries were successful. I know that the Associate Minister of National Defence has attended school, and he surely knows that a pupil who gets only two marks out of 11 has failed in his examination.

Consequently, Mr. Chairman, I suggest that the money spent by the Department of National Defence is simply wasted. The security measures of our country should be more wide spread and, as the previous speaker pointed out, our defence system should not consist only in protecting one or two provinces, but all ten at the same time.

Mr. Chairman, I believe that the Minister of National Defence, as well as the associate minister, would profit from reading and rereading the authoritative speech of the hon. member for Trinity (Mr. Hellyer).

Mr. Pigeon: The second edition.

Mr. Denis: He made specific proposals and counter proposals in order to give the country an efficient defence system to protect the Canadian people, instead of leaving them in uncertainty, knowing that they are protected only by weapons which, up to now, have been failures.

Mr. Lambert: Who wrote that?

Mr. Denis: Mr. Chairman, I am asked who wrote that article. All these sentences were uttered by the minister.

Mr. Lambert: Who wrote that? Certainly not you.

(Text):

Mr. Pearkes: Mr. Chairman, before we pass this item I should like to answer some of the questions which have been raised during this two-day debate. First of all, I should like to express my appreciation to all those who have taken part in discussing this very vital subject of national defence. I am quite certain that all who have spoken have done so in a sincere and determined effort to try to present their views—the ones that they held for some considerable time—before this committee so that in trying to solve these extremely difficult problems that the Department of National Defence is faced with we might have the benefit of the considered opinions that have been held, or that are held, by the various parties and groups in this house and by the various individuals themselves.

I think it is quite evident from what has been said so far during this debate that all members are deeply concerned about the future, and what the future may hold, should conditions in the world become so grave that war would break out again. I want to assure all members of this committee that the government is exerting its utmost endeavours to secure a lasting peace. Nobody has been more sincere or more persistent in his efforts to further the international discussions which are going on, and have been going on during this summer, in order to try to solve what seems to be the almost insoluble problem of how to settle international differences, than has the Secretary of State for External Affairs who has had the support of all members of

this government. I am certain that all hon. members hope that our endeavours will meet with success.

It has been quite clear during the debate that the terrible consequences of another world war are obvious to all members, and it is because of the importance and the complexity of the problem that sincere points of view have been expressed, and at times during the discussions some heat has been generated.

We face an international situation which has deteriorated in the last two months. Everyone had high hopes a short time ago that some definite progress would have been made during the summit conference. We have been proponents in furthering the ideas of disarmament at the conference in Geneva. But we have to be realistic. While there is sabre rattling on the other side of the iron curtain, while threats are being made as to what may happen in the next few months in Berlin and in other parts of Europe, while the soviets, we are told, are making great progress with the development of modern weapons and their army, air force and navy are equipped with such weapons as have never been seen before, as Mr. Khrushchev stated not very many months ago, we cannot let down our guard entirely. We are not aggressors. We know not when a war may be started by a very powerful and ruthless government which gives indications of being ready to start aggression at almost any time.

That faces defence planners with a problem, the magnitude of which can hardly be realized. Are we to plan today for the possibility of a war breaking out later this year or next year or can we say that the indications are such that we may set aside the defences of the moment, that we may set aside the steps which are being taken to prevent war now and make preparations solely for a war which might take place ten years hence?

It seems to me that while we all agree that every effort must be made to prevent war there is a difference of opinion as to the best steps to be taken to prevent that war. Some members have expressed the opinion that war is so unlikely at the present time that it is not necessary for us to protect ourselves against the possibility of a bomber attack. Others have indicated that they feel that if war did break out in the near future bombers would be used. In giving evidence before the committee I made this statement as my considered opinion:

> As far as ICBM's are concerned, the Russians have, undoubtedly, some such missiles operational and within the next few years they will probably have several hundred available. As their missile capability increases, less and less reliance will be placed on their bombers.

I think that is really a fair and accurate statement. They do have a limited number of operational missiles today. They do have a large fleet of bombers of different vintages numbering well over 1,000 which would be capable today of being used against targets on the North American continent. We know that those bombers are in service in the Russian air force today. On the other hand, we have the statement of Mr. Khrushchev to the effect that the day of the bomber is over, that they are not going on to the production of any new bombers and that their air force will be based on the use of missiles and rockets in the future.

It seems to me that we have to try to assess the amount of the defence effort that we have to put against the possibility of a bomber attack. I think the hon. member for Trinity agreed with me that he did not think a planned attack within the next few years was likely, but he also agreed with me, and I made the statement earlier in this committee, that the possibility of an attack or a war breaking out as a result of some miscalculation or misadventure or, as he put it, on account of the actions of some madman, did exist.

So the question is, how much money are we justified in spending in making an effort to defend this country against the possibility of a bomber attack? We were faced with that decision a couple of years ago when, owing to the heavy expense involved in producing and completing the development of what would have been a superb interceptor, the CF-105, had the production been completed, we decided that the cost was too high and we did not feel we were then justified in spending that amount of money on this particular weapon to defend the country against the bomber. At that time we felt justified in deciding that we should spend a much smaller amount of money on joining in the chain of ground to air missile bases which the United States was developing for the protection of their SAC bomber bases and for the protection of the main centres of industry in the northeast portion of the United States and Canada. I refer to the Bomarc ground to air missile. I know that missile had difficulties in the early days of its development. They had the so-called Bomarc A which was fired with a liquid fuel and which required some considerable time before it could be launched from its launcher after the warning had been received. Its range was limited. We never considered adopting that particular version of the Bomarc.

However, at that time research and early development was being undertaken by the

United States in order to develop a Bomarc B which had double the range of the Bomarc A and which could be fired with a solid fuel. It was making promising progress at that time. After one or two initial failures this weapon has been proven to be a success. It can fire the full range that it was designed to fire at a height of over 60,000 feet, which it reaches in a matter of seconds. After reaching the predestined height it then turns horizontal and is guided to its target from controls on the ground. Recent tests have proven that it can hit and destroy a supersonic target. We have confidence in this weapon.

The United States is spending some $333 million on Bomarc production this year. The amount of money which the United States government is spending on continental air defence is $3,900 million. This gives the committee some idea of the importance that our allies place upon continental air defence against the bomber; that is not money spent on defence against the missile. A great deal of money is being put by our allies in research to find a means of destroying or diverting the intercontinental ballistic missile. We propose spending a very small sum of money on the construction of these two Bomarc sites. It is insignificant in comparison with the huge sum that I have just mentioned of $3.9 billion.

We expect to spend on the construction of these two sites, spread over two years, some $12 million. These two sites will link up a chain of Bomarc stations which will be covering the great industrial area and the SAC bomber bases located in the northeast. The two Canadian Bomarc stations are placed so that they are north of the main centres of population, Montreal, Ottawa, Toronto, Hamilton, North Bay, and as I have said the approximate range of these missiles is some 400 nautical miles. Is this comparatively small expenditure of $12 million so outrageous that it is really not worth while to provide some protection to the cities of Canada, and provide protection against a bomber attack, not against a missile attack. It is extremely difficult to estimate—

Mr. Hellyer: Would the minister permit a question at that point?

Mr. Pearkes: I would rather finish, and you can ask it later.

It is rather difficult, almost impossible, to estimate the time period when there will still be a threat from Russian bombers. The primary threat today is the bomber. Within another year or two the primary threat will be the missile. How long the Russians will keep their bombers active is known only to the Russians themselves. Some people estimate it will only be for five years, and other people make a guess that it will be for at least 10 years. I do not feel, therefore, that we are justified in spending vast sums of money on defence against the bomber. But I do feel that we are justified in spending the comparatively small sum that we have in the estimates for Bomarc installations this year.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pearkes: Mr. Chairman, when the committee rose at six o'clock we were discussing the air defence of the North American continent and in particular the amount of the appropriation which has been allocated to these operations. I had pointed out that while there might not be any immediate threat of a planned war, still there was a possibility of war coming by accident or misadventure, and if war did come within the next few years it was inevitable that the Russians would employ their bombers against targets on this continent. It is realized that the percentage of the threat as compared with bomber to missile is increasing in favour of the missile. But still there exists a bomber threat. Therefore the problem which faces the government is to decide how much effort should be placed into the defence against the bomber should it occur in the next few years.

The government's position is that while the primary threat will gradually be swinging towards the missile, there is still a threat from the many hundred bombers in the Russian air force. Therefore we should take some precautions in order to help protect the SAC bomber bases of the retaliatory force located in the United States, and the major industrial cities. To do this we had decided to join with the United States in providing two Bomarc sites, one at North Bay and one at La Macaza, and to have these equipped with the Bomarc B, with a limited number of missiles, at a cost to Canada for the construction of those bases of some $12 million.

The Liberals, in presenting their program, while they realized that there was a danger of war occurring by misadventure, and realized that if that did occur within the next few years bombers would be used against targets in North America, prefer to use interceptors rather than to rely mainly on the Bomarcs as far as the Canadian contribution was concerned. The C.C.F. proposal was that we should discontinue the Bomarc and not replace it with interceptors, but rely entirely on the retaliatory forces of the United States and, I presume, the interceptor squadrons also

based in the United States. The government cannot accept that recommendation of the C.C.F. party, because we do believe that there is a possibility of bomber war, and because we are in a partnership with the United States and should play our fair share.

Regarding the Liberal proposal, I think their recommendation was based on two main facts. First of all, they dislike the use of nuclear weapons and they feel that the Bomarc will be fired from a fixed site and therefore will present a vulnerable target to hostile missile attack. I should like to discuss those two problems for just a minute. They recommended doing away with the Bomarc, cancelling the construction which is now going on at the two sites.

Regarding the first factor which influenced them, namely the use of nuclear warheads, the Bomarc cannot obtain its full effectiveness unless it is equipped with a nuclear warhead. Nor would interceptors be able to carry out their full effectiveness unless they also were equipped with nuclear weapons. And if pilots of the R.C.A.F. were flying interceptors which were not armed with nuclear weapons, they would be inferiorly armed in relation to the United States air force squadrons which would also be flying in Canadian air space if bombers were attacking this North American continent. Those interceptors of the United States air force would be equipped with nuclear weapons.

As far as the question of fixed bases is concerned, of course the Bomarcs are at a fixed site. Their launchers would be stationary. But I do suggest that as the Bomarc is only a weapon to be used against bombers, it is unlikely that the Russians during that period when it may be expected they would use bombers against us, when their number of missiles would be comparatively limited, could devote some of those missiles against a target which was designed purely to defeat the bomber.

The Deputy Chairman: Order. I am sorry to advise the hon. minister that his time has expired.

Some hon. Members: Go ahead.

The Deputy Chairman: Does the committee give unanimous consent for the minister to continue?

Some hon. Members: Agreed.

Mr. Pearkes: I am sorry, but there are a number of questions which I do feel I should answer, and also reply to some of the statements which have been made.

The fixed bases of the Bomarc are so small that I think it will be most unlikely that a missile fired from 3,000 to 4,000 miles away would be able to obtain a hit or would have those sites selected as a target. Of course, one must remember that the jet aircraft must take off from air fields with a comparatively long runway, and I am not at all sure that the air fields capable of supporting jet interceptors would not be just as vulnerable a target as the Bomarc sites. So I really do not see that there is a great deal of argument on that score. We must remember that these two sites are located north of the great industrial cities of eastern Canada and while their primary purpose may be the protection of the SAC bomber bases, they will still offer a considerable degree of protection to the cities in eastern Canada.

Then there is one other point I would like to make in connection with the proposal of the Liberal party in this respect, and that is that it is very much more expensive of course to maintain interceptor squadrons than it is to maintain the Bomarc sites. As I pointed out, Bomarc sites would cost $12 million to $15 million. The number of missiles we may assume to be approximately 30 on each site. As a basis of calculation which has been accepted in the United States, one interceptor would cost the equivalent of three missiles. That would mean that if we were going to replace the missiles with interceptors we should require 180 interceptors to replace the 60 Bomarc missiles. Each of those interceptors might possibly cost about $2 million apiece.

So you see, Mr. Chairman, you would be running up an expense of some $360 million as opposed to the $12 million which the government proposes to spend on the Bomarc missile. Then of course maintenance of the interceptor squadrons is far greater than the maintenance of the Bomarc sites and the number of personnel which are required to man the interceptor squadrons is much greater. The Leader of the Opposition did say that it might not be necessary to employ as many interceptors as there are now being employed in the nine squadrons, so perhaps he does not anticipate using that full number of 180. Actually, today we have considerably more CF-100's in our squadrons and reserves than the 180.

Another factor comes up here, and that is that I am very doubtful whether there are available in the United States this number of interceptors which could be obtained readily. Again, it may be—and this was not clear in the remarks which were made—that perhaps they are considering primarily that these interceptors would be used merely for identification and recognition purposes. As I have indicated the government has under consideration the possibility of replacing

some of the CF-100's with a limited number of interceptors which could be used for recognition purposes.

Now regarding SAGE, which the Liberals recommended should also be discontinued, SAGE is required. If any interceptors or reconnaissance aircraft, be they for identification or recognition, are flying at supersonic speeds, all United States air force interceptors are equipped with radar which will operate with the SAGE environment. SAGE is being installed from the Atlantic to the Pacific and if we discontinued the one SAGE installation which we are putting in in Canada there will be no opportunity of controlling and guiding the United States interceptors which might in the absence of our own interceptors, or joining with our own interceptors if we had them, do battle in Canadian skies. So I do suggest that it is imperative whether we go ahead with the Bomarc or not that the SAGE environment should be continued and I could not accept the recommendation of the Liberal party that the SAGE environment be discontinued.

The Leader of the Opposition asked questions regarding the negotiations going on in connection with the acquisition of nuclear warheads. We have had a lot of discussion about that and I should have though that the position of the government was clear. We are entering into and have been carrying on discussions at various levels, the official level and between Canadian ministers and United States ministers, as to the sort of arrangement which could be made when nuclear warheads are made available which, as the Prime Minister said, will be so if and when they are required. We recognize, and I am sure the Leader of the Opposition does also, that by United States law these nuclear warheads whenever they leave the United States must still remain the property of the United States. So whether these warheads are placed in Canada or in the leased bases in Canada or in the United Kingdom, the United States still retain possession of them until such time as the President of the United States releases them for use to the authorities of the country concerned.

In the United Kingdom where these nuclear weapons are now stored a form of joint control is exercised whereby a United States officer has a key to the receptacle where they are stored and also a British officer has a key, and the door cannot be opened unless both keys are used. So you have a form of joint control not dissimilar to the method which is used by anybody having a safety deposit box in the bank where the banker has one key and the lessee of the box has the other.

[Mr. Pearkes.]

There would seem to be no difficulties in the way of reaching some sort of similar agreement regarding the storage of those nuclear weapons on Canadian soil. Then when the situation becomes such that these weapons are to be used, the sole authority to authorize the use of those weapons in Canada would be the Prime Minister of Canada who, having had them released by the President of the United States, would then give directions as to when and how they should be actually used.

Mr. Pearson: Would the minister permit a question on that point? Could the minister tell us how much warning we would have of an international intercontinental ballistic missile during which this joint control would have to operate?

Mr. Pearkes: The immediate amount of warning would be approximately 30 minutes but there might be several days of warning. It does not necessarily follow that the first missile would be fired against the Canadian target. It is quite likely or it is quite possible, shall I say, that the first missiles might fall in the United States, thereby giving us, perhaps, hours of warning. It is inconceivable in the present stage of the development of missilry that all the Russian missiles could be fired off simultaneously. So when I say the minimum amount of warning would be 30 minutes, there might be considerably more warning than that.

That, I hope, explains the present position. There are these discussions going on. We have not got the launchers yet. We do not expect the launchers until some time next year, and I am quite certain that the Secretary of State for External Affairs will be able to complete the negotiations by that date so that as the Prime Minister has said these weapons will be available if and when required. But, as the Leader of the Opposition knows full well, there are negotiations; at least there are vigorous demands being made by numerous countries to ban the use of nuclear weapons altogether. If these are successful, and if it is generally agreed that nuclear weapons shall not be used, then, thank God, we shall not have to have them. I hope that answers your question. I think that is all I had on continental defence.

Now we come to the question of mobile forces of conventional arms. Great stress was made by the Liberal spokesmen on the importance of having a mobile force capable of being transported by air to practically any part of the world where it might be necessary for Canadian forces to operate in support of some United Nations project. I heartily agree,

and I said very definitely in my opening remarks that we attach importance to the provision of additional air transport for that very purpose. As a matter of fact, there is part of the total of $170 million included in this year's estimates for the purpose of acquiring additional air transport. I have already mentioned the types of air transport there are—the CC—106, the CC—109 and the 130-B. The most recent order we have placed is for the Caribou to operate in the Congo. Thus I do feel we have during the last three years built up the air transport command, and certainly before the end of this financial year the majority of these aircraft will have been delivered and we shall be in a position to move three or four times the number of troops, together with their equipment. The aircraft known as 130-B move a very great quantity of equipment, much heavier equipment than it has ever been possible for us to move before, and with this combination of air transport in air transport command we shall be by the end of this fiscal year in a very strong position to move troops as required.

I have repeatedly mentioned the stand-by battalion. Yes, there is a battalion composed of approximately 1,000 men ready to move at any time. It is not the fault of Canada that in the particular situation arising in the Congo a different type of troops were required, emphasis being laid on staff officers, signal communication troops and what is usually referred to as logistic troops, supply personnel and so on. Some of these troops were already immunized and could have been moved into the Congo earlier than they actually were, but the difficulty was for the Congo United Nations force to decide exactly what type of personnel were required.

Canada supplied the first staff officers to the Congo force. We have ten trained staff officers in the Congo now providing a very essential element to the commander, including his chief of staff. Less than half an hour ago I signed an order for six more officers to join that force. Canada is ready to meet the modest requests that have been made to her.

It is suggested we should have a brigade instead of a battalion. That is just a question of emphasis. I doubt whether it will be practical for us to have and maintain an air transport force capable of moving a full brigade in a very short time. I am doubtful whether a situation would arise whereby the United Nations would call upon Canada to make such a large contribution, and if they did we have three brigades here in Canada of trained, regular soldiers who in a short time could be made available for any further United Nations operations.

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The suggestion was made by the hon. member for Trinity that we should have a troop-carrying supply ship to go to distant places where air transport could not take troops. I find it rather difficult to visualize such territory where it would be more expeditious to put a large number of troops into a ship to move quickly to some point, where you could not reach that point, or near that point, with air transport. I cannot help feeling that it would be preferable to continue what we are doing and to maintain a strong transport command. Therefore, I feel in principle we are not widely distant; it is just a question of degree in that respect.

The Leader of the Opposition and the hon. member for Trinity both emphasized the importance of increasing the mobility of the brigade in Europe. As hon. members know, we have a brigade group there. Last year we entirely motorized that brigade. We provided enough motor vehicles, adding 41 motor vehicles to each battalion, so the whole force could be moved in motor vehicles. I know that these are not amphibian vehicles but there is not a brigade in Europe, unless perhaps some of the United States brigades so equipped, and I do not know that they are equipped with carriers. We have been in the forefront of the development of an armoured amphibian motor vehicle for the carrying of personnel. That vehicle is in its final stages of testing. Actually the last information that I received indicates that the final complete tests will be finished next month, and when we get these final tests, if the vehicle comes up to expectation, it is the intention to go into production of that vehicle so that it will to a very large extent meet the requirements which were suggested by the Leader of the Opposition and others.

He did suggest helicopters. Yes, helicopters would be useful, but helicopters are not generally detailed down to brigade formation. While we have some helicopters with the air division in Europe which, if necessity arose, could be allocated to the brigade group, and I believe have taken part in some of the exercises which have been conducted by that brigade group, we have not yet seen our way clear to providing the helicopters which are necessary. To be quite frank with the committee, we have been investigating the very knotty problem as to what type of helicopter should be used. We would like to have one type of helicopter which could be used by all the three forces, the navy, the army and the air force. It does not seem quite practical that we can do that. If we could get all the forces to accept one type of helicopter and could have enough orders to justify that helicopter being manufactured in Canada that would be the ideal situation.

Failing that we may have to purchase helicopters from the United States. There is a small air element attached to the brigade for artillery reconnaissance and for intercommunication between the various units of the brigade for commanders, and so forth.

Now, I must absolutely refute the suggestion that the brigade is equipped with obsolescent weapons and that it is not well equipped. I do not believe that there is one weapon in the brigade which an infantry brigade of the Canadian forces used during world war II. They have all been replaced by more modern and more up to date types. The primary weapon, the rifle, has been completely changed. They have the C-1, the C-2 the FN rifle. There are new mortars, new wireless equipment and so forth. My parliamentary secretary put on the record last night a list of the new equipment that is being used, and I would emphasize the fact that the centurion tanks which they now have are being fitted up with armour-protected gasoline tanks, and their armament is being increased with a heavier and more up-to-date gun. Therefore, I feel that it is not fair, it is not a just criticism and not fair to the troops to say that they are not equipped with up to date weapons.

A question was asked yesterday regarding research. We have been able to spend only a limited amount of money on research, but our research programs have been as extensive as the staff of scientists of the defence research board could cope with. As one hon. member said yesterday, one of the big troubles has been the pay of the scientists in the government service.

There has been a tremendous demand for scientists in industry, and unless they are dedicated men, many have found it much more profitable to take positions in industry. But I think hon. members know—at least those who were on the committee do know—that there was an increase in the salaries of scientists in the defence research board authorized last June. Previously the minimum wage for scientists was $5,000; that has been increased to $5,240. The maximum was $14,500; that has been increased to $16,500. We hope that this will go some way toward stabilizing in their positions the scientists that we now have. There is a slight increase in the vote for research and I hope it will be possible to expend the full amount.

A question was asked about navigational aids and infra-red equipment which would enable tanks and vehicles to operate at night. The defence research board and the army have been working together on what are known as the navigational aid and infra-red projects. The navigational aids are under unit test now and have been lent to the United States and to the United Kingdom. We have recommended to the NATO organization that these weapons be included in the likely projects which all countries of NATO were asked to submit in the expectation that they would be accepted by all the nations. Therefore I feel that in that respect we are making progress and I hope this information will be of interest to the hon. member who asked the question.

A question was asked by the Leader of the Opposition, I believe, regarding the use of nuclear weapons by NATO. He asked whether it was the policy of NATO to use nuclear weapons in what would be mainly a land war in Europe. While, as the hon. member knows full well, it is not possible to disclose all details regarding the use of equipment by NATO forces because the information is classified by NATO, I have a quotation from a speech made by General Norstad, the supreme allied commander, at the University of Southern California on December 6 in which he said:

> The forces which are assigned to the NATO mission are after all largely organized around nuclear weapons; the defence of Europe against a serious attack depends on these weapons.

The suggestion has been made that we should not use nuclear weapons in Europe if enemy forces start an invasion of western Europe and that we should rely on conventional arms to repulse such an invasion. It is my opinion that NATO does not have sufficient strength in personnel and conventional arms to be able to resist an attack by Russian forces which would be supported by their conventional arms and, as we know, the Russian army is equipped with tactical nuclear weapons. If our soldiers are to have a fighting chance should they be attacked I feel it is imperative that they should have the use of nuclear weapons in the same way that the soldiers of the other allied countries will have nuclear weapons released to them through the NATO commander.

Mr. Pearson: I wonder whether the minister would permit two questions before he leaves that particular subject. It was the reading of General Norstad's statement that inspired my question to the minister, and I was wondering whether the NATO council had ever confirmed his statement that nuclear weapons would be used. If the minister does not feel it is appropriate to answer my second question I will understand, but I should like to know whether all the other members of NATO have agreed to accept tactical nuclear weapons for their defence.

Mr. Pearkes: I think I would be justified in saying that the principle of the employment of nuclear weapons has been accepted by the

NATO council. I would not feel justified in saying whether all have accepted it but the principle has been accepted and these nuclear weapons, as a matter of fact, are placed in Europe now.

Mr. Pearson: In some countries.

Mr. Pearkes: Some of them, and they would still have to be released by the President of the United States to the supreme allied commander before he would have the authority to use them. I do not say necessarily a few minutes before. There may be conditions set under which he may use them that I would not know, but they would have to be released by the President of the United States.

A question was asked whether our 104 squadrons would use nuclear weapons. All I can say there is that they would have the capability of using these weapons. Whether they would be allowed to operate with them from French bases I do not know. I am sure the Leader of the Opposition is aware of all the discussion there has been about that matter. That would have to be arranged by the NATO supreme allied commander with the French government and, in any event, we have air bases in Germany as well as in France. That is a problem which will have to be faced when the new aircraft become available.

I cannot accept the suggestions made by the hon. member for Trinity about the unsuitability of the 104. As I said the day before yesterday, the 104 has been chosen by other NATO countries for this dual role, and after the most careful investigation we decided it was the most suitable aircraft. I know that for various reasons the hon. member for Trinity does not like that particular aircraft, but we had to make a decision and we have decided that it is a good aircraft. Only minor modifications are being made to it. Nothing like new development is being done, as the hon. member suggested. It is not a wholly new project. Only minor alterations are being made. It is a proved type and, as I said before, Belgium, Holland, Germany and Italy have all accepted that aircraft and I believe other countries are also accepting it.

One hon. member raised a question about manpower cuts. I think I made it quite clear that as long as Canada has commitments for her armed forces, which we have accepted, there can be no substantial reduction in the number of the forces. I have said that over and over again. While it was mentioned today that I had said we were looking into the question of reducing the numbers, I stressed the point that in my previous statements I have said there would be no substantial cuts. We are always looking for ways whereby we can economize, particularly in manpower and particularly in the administrative branch, be it military or civilian personnel. I am fully aware of the fact that for general economic reasons we cannot expect any large increase in the defence budget, and we find costs of operation, costs of maintenance, costs of personnel, always going up, as well as the costs of acquiring new equipment. It is difficult to adjust these. We do, therefore, regularly examine all our establishments to see if there can be any reductions there.

One other question was asked and that was connected with survival operations. The hon. member asked if the militia were receiving training equipment for survival operations. As I mentioned yesterday, the militia is doing admirable work in these survival operations. I do attach a great deal of importance both to the training of the regular and militia units. While it is not possible to obtain much of the equipment, because it is not procurable at the present time and there is not sufficient money to get all the equipment which the troops could use, we are getting enough training equipment and a good deal of operational equipment as well, both for the regular forces and the militia.

I think I have covered most of the points which were raised. If I have left out any, perhaps hon. members would ask the questions when we are considering the other votes and I have the officials here to fill in the details.

Item agreed to.

Royal Canadian Navy—

220. Operation and maintenance, $197,041,557.

Mr. Herridge: I have a couple of questions to ask of the minister in connection with this item. I have a letter here from local 230 of the I.B.E.W., Victoria, British Columbia, dated July 21, 1960, in which they mention that approximately 150 employees of Her Majesty's dockyard, Esquimalt, are interested in the credit union and co-operative health plan and have expressed their desire to continue in this plan. However, the government has taken the stand that they have no objection to these employees retaining their present health plan, but have made the point that any arrangements for doing so must be carried through on an individual basis. They go on to mention that this privilege for deductions being made from the payroll has been extended to employees in other areas, and they have been asking that the department grant them the same consideration.

Mr. Pearkes: I have heard some discussion about this. The officials are on their way down and when the representative of the navy is here I will give the hon. member an answer.

Mr. Herridge: Might I ask the minister a second question while they are en route. I have a couple of letters from people at Robert's Creek claiming that buildings have been damaged and windows broken as a result of concussion consequent upon firing practice by the navy. Has the minister received any complaints in that respect, and what is the usual procedure to make certain people's property is not damaged and that they do not suffer any unnecessary inconvenience?

Mr. Pearkes: When firing practice is to take place, the hour and area in which the practice is going to take place is always published in the local newspapers. People are advised to leave their windows open so as to avoid the effect of concussion. If, however, damage is done to property, then the owner of the property may submit a claim. The claim would be dealt with in the regular way.

Mr. Herridge: Have there been any claims paid in connection with damage caused by concussion from gunfire?

Mr. Pearkes: Oh, yes, over the years I am sure there have been. I cannot tell the hon. member the exact amount, but I know there have been claims.

I wonder if the hon. member would be kind enough to repeat his first question so that he may get an answer to it?

Mr. Herridge: Certainly, I think it would be just as well if I sent the letter over to the minister. I do not want to take the time of the committee to read it. It is a letter from local 230 of the I.B.E.W. on account of certain employees in the dockyard who want certain deductions from their payroll recognized by the department for the credit union and co-operative health plan. They claim that other departments permit these deductions, and the department extends this privilege to those enrolled in the government medical and surgical plan, but it is still denied to the membership in the credit union and co-operative health plan.

Mr. Pearkes: I understand that employees who have been in the habit of making their contributions prior to July 1 are permitted to continue, but after July 1 new applicants cannot be received.

Item agreed to.

221. Construction or acquisition of buildings, works, land and major equipment, $74,259,000.

Mr. McFarlane: I should like to make a few remarks in connection with this item and bring a couple of matters to the attention of the minister. First, I should like to offer my congratulations to the minister and also to his department. I should like to make specific mention of Dr. Bryce for his untiring efforts and the tremendous job he has done in organizing the civil defence program across Canada.

During the progress of our committee meetings in connection with the estimates of national health and welfare it was brought to my attention that the militia in parts of Canada will take over—

The Deputy Chairman: Order, order. I think perhaps the hon. member should discuss this matter under vote 222, the Canadian army. We are still dealing with the Royal Canadian Navy.

Item agreed to.

Canadian army—

222. Operation and maintenance, $350,887,000.

Mr. McFarlane: I will start where I left off. It was brought up, I believe, in the estimates committee of the Department of National Health and Welfare that the milita would take over and assist the civil defence program in time of emergency. For the last three years our militia unit in Kimberley has been having great difficulty, especially with their accommodation. I received a letter from the Kimberley organization a little while ago which I would like to quote:

> As for us in Kimberley, we continue to struggle along trying to run a unit of approximately 100 men in the rented lower half of the Oddfellows hall. We continue to hire half of a civilian garage to house our vehicles, and rent rooms in the adjoining public school for training space on parade nights. The total bill to the public for all this is, I know, much more than would be the case in a more efficient plant. We do our best, but the training suffers and the administrative headaches are too numerous to mention.

That was brought to my attention at that time and I wrote to the minister about it, at which time I also presented our case. I received a very nice letter from the minister stating that the question of construction of armouries across Canada was receiving special consideration, and also that the question of an armoury at Kimberley would receive most careful consideration. But at that time he could not justify its construction. I hope now, in view of the fact that I have heard just recently that they were going to construct an armoury in Vancouver that we might divert at least a portion of the funds to constructing an armoury in Kimberley.

In Kimberley we have a wonderful unit. They are a good group of men and they are working very hard to make a success of the militia department in that area. They are using old equipment and their headquarters are now situated in Cranbrook. That means travelling to and fro 20 miles each way on each meeting night which, especially during

the winter months, has created a certain amount of confusion. I am sure that if the armouries were located in Kimberley the unit there would expand and we would have a very wonderful militia organization in that area.

Due to the geographical location of East Kootenay—I believe I brought this up at the estimates committee at the time—we only have one unit in Kootenay East operating at the present time. The suggestion was made that in the case of emergency units would come from Trail or Revelstoke. I would like to bring to the minister's attention that owing to our location it would be practically impossible to get there in time to be of any assistance. I should say that the Kimberley group is using inadequate facilities now at Cranbrook.

Only yesterday I received a wire from the small centre of Creston of about 3,000 people, in which they say they are very anxious to form a militia unit in that area and the request has now been forwarded. They say:

> Before leaving Ottawa please inquire as to formation of militia unit here with lease or purchase of buildings and property of Creston Canners. Premises have been inspected by department official and understand approved—

I understand that they will be very adequate for a militia unit in the Creston area.

I would like to ask the minister if he would give some consideration to the forming of a unit in Kimberley or the forming of a unit in Creston, and also the construction of adequate headquarters in Kimberley. I feel this has been going along now for a number of years and with the prospect of an excellent unit in Creston and also in Kimberley I believe this support would certainly be of great benefit to the Kootenay East area.

Mr. Pearkes: I should like to thank the hon. member for his interest in the militia units in the area. I know the engineering company at Kimberley and I have seen the reports, which confirm what the hon. member has said regarding the efficiency of that unit. I know that the accommodation is hardly adequate. Unfortunately there are no funds in this year's estimates for an armoury in that area, nor were there any funds for an armoury in Vancouver, so I cannot transfer money from Vancouver to Kimberley. But if the hon. member can suggest any better accommodation which might be rented we would be very pleased to look into it. As for a new unit at Creston, we will be very pleased to look into that when the application arrives.

Mr. Herridge: Mr. Chairman, as the headquarters of the artillery battery which the hon. member for Kootenay East spoke of, which is Cranbrook, are in Trail I would like to take this opportunity to briefly bring to the minister's attention the devotion of those who carried on in Trail and Nelson with respect to the artillery unit and the engineer company throughout the years. I would also like to bring to his attention that the armoury at Nelson can still do with some improvements. I want to ask the minister if he could briefly inform the house as to what is the situation now with respect to the militia and civil defence? Actually what part is the militia playing in the civil defence organization at this time?

Mr. Pearkes: The part played by the militia in civil defence is similar to that which is assigned to the regular army, as far as re-entry operations are concerned, and that is why they are being trained in the duties of rescue work and re-entry operations into areas which may have been destroyed either by enemy action or by some catastrophe.

The militia units are organized into a number of support columns—I think approximately 44 support columns—across the country, where they are organized into various types of units, engineers, medical, signals personnel and reconnaissance companies. They are available to move to any area which is either affected by bombs or by fall-out.

Mr. Pearson: I should like to ask the minister whether there has been an agreement to sell the armouries on University avenue in Toronto to the administration of metropolitan Toronto and, if so, what is the nature of that agreement?

Mr. Pearkes: An agreement was reached about two years ago, on a request from the metropolitan area of Toronto, which required the site of the University avenue armouries in connection with the construction of a new courthouse and so forth adjacent to the parliament buildings in the area—

Mr. Sevigny: Osgoode Hall.

Mr. Martin (Essex East): Yes, Osgoode Hall.

Mr. Pearkes: —adjacent to Osgoode Hall, where there is a large municipal development nearby. We agreed to the sale of that armoury for a sum, I think, of $2 million and arrangements are being made to locate the units which have been in that University avenue armoury in the outlying districts of Toronto, because we feel that conditions are such, in so far as militia recruiting and the activities of the militia are concerned, that it would be better for the militia if they were moved to the suburbs of Toronto. So we have one armoury I think actually under construction at the present time in the eastern part of Toronto. One will be constructed in the north and one in the west.

Mr. Pearson: May I ask whether it is a fact that the original agreement between the federal government and the city of Toronto for the construction of this armoury, I think in 1897, a year which I remember well because I was born in that year, contained a clause under which the federal government must return to the city of Toronto free of encumbrance the site and title of the University avenue armouries in Toronto at such time as they are no longer required by the Department of National Defence? If that is the case, as it has been reported in the Toronto newspapers, how could the department then sell those armouries to metropolitan Toronto which is a different government?

Mr. Pearkes: When that report was received I had the legal officers of the department look into the original agreement and they do not substantiate the claim.

Mr. Pearson: So the minister is quite satisfied on the advice he has received that there is no legal difficulty in the way of this agreement which he has mentioned?

Mr. Pearkes: I have so been informed by the legal officers of the department.

Mr. Macdonnell: May I ask a supplementary question on that. I have noticed even within the last few days that there has been a letter in the Toronto press which indicated that the commanding officers of some of the units still using University avenue armouries as their mess were wondering whether they might continue on. Incidentally I am one who did some training there some years ago.

Mr. Pearkes: Tradition dies very hard in the army, as the hon. member knows, and there have been some officers in some of the old units who have disliked the prospect of giving up their old messes which are located in the University avenue armouries and having to move elsewhere. Some of them have thought that there may be greater difficulties with recruiting, but all these factors were very carefully examined and the advice of the militia commanders at the time and the advice of the general officer commanding Toronto was taken into consideration, and as a result of that we found that it would be to the benefit of the militia and would certainly be of great convenience to the ultimate development of the project in the metropolitan area of Toronto.

Mr. Pearson: Like the hon. member for Greenwood I had great sentimental regret at this transaction, because one afternoon in the early days of the first war, disgusted with my inability to translate a Latin text, I walked down from the university library to University avenue and enlisted in the armouries, and I am sorry it is going to disappear. But may I ask another question of the minister. Has there been a proposal made for a provost corps training centre at Elliot Lake, and can the minister give me some information as to what was done about that proposal.

Mr. Pearkes: Yes. When the situation in Elliot Lake developed and the economy of the city was disrupted the department was asked to see if it was possible to locate any unit there. At that time we were considering the possibility of establishing the provost corps school elsewhere than at Shilo because the accommodation in Shilo was required for other things. A reconnaissance party of officers went down and looked over the place. They were shown the greatest courtesy by the mining company there and in Toronto where Mr. Winters went to a good deal of trouble to show the type of accommodation that there was. Unfortunately the accommodation was not centralized in any one place but centred at various points and could not be readily made available, so ultimately it was decided in agreement with the mining company and I believe the city authorities that it would not be practicable to establish a school at Elliot Lake.

Mr. Roberge: I did not notice tonight whether the minister answered my question about personnel going to the Congo. I wanted to know what was the number of personnel speaking the French language that was designated to go to the Congo.

Mr. Pearkes: I cannot give the actual number of French speaking officers and men who are going, but I did give instructions that wherever possible French speaking officers and men were to be included in the contingent. I understand a number of men from the Royal 22nd regiment have been selected for that duty, they having been trained as signallers. There are French speaking personnel of the royal Canadian corps of signals. I would hazard a guess that at least 50 per cent of the personnel going there are fluent in the French language and that many others have a basic knowledge of the French language.

Mr. Roberge: Could the minister indicate how many of the officers can speak the French language or what proportion can do so?

Mr. Pearkes: I cannot give a definite answer, but I would say that approximately 20 out of the 30 are able to speak the French language sufficiently well to be able to discuss their problems with the Belgium authorities or the United Nations authorities who are in the Congo now. I should like a pay a word of tribute to the way in which the officers

of French speaking Canada have responded to this call and have, without exception, expressed their keenness to serve their country in this way.

Mr. Herridge: Before this item carries I want to bring to the attention of the minister a question that has arisen particularly during the last couple of years. I refer to the difficulty which is sometimes experienced by men leaving the service who find it difficult to obtain employment with the result that in some cases they are unemployed for a number of months although not entitled to receive unemployment insurance benefits. I understand that at one time this matter was considered by the responsible people in the Department of National Defence, and for administrative reasons they recommended against providing some form of unemployment insurance in such cases. Personally, I think it is most unfair, particularly when men happen to be discharged during a period of recession—that is the polite term we use at the present time—and are unable to find employment for some months. I would ask the minister if he has had this matter drawn to his attention. It has been brought to my attention lately both by men who are in the service anticipating their discharge and by others who have been unemployed for some time. Is some consideration being given by the Department of National Defence to recommending to the other departments of government arrangements for the inclusion of servicemen under the Unemployment Insurance Act?

Mr. Brunsden: The hon. member speaks of a period of recession. Would he explain that and tell us what he means by it?

Mr. Herridge: By recession I mean that while the Progressive Conservative government is in power there are close to half a million men unemployed in Canada.

Mr. Pearkes: I do not think the number of men who are employed or unemployed comes within the scope of this particular vote. However, regarding the payment of unemployment insurance, personnel in the services are not eligible for these benefits, but it should be remembered that when a man's time has expired a certain amount of leave is granted to him according to the length of his service—leave which is accompanied by pay—and again, when he comes out with an honourable discharge at the completion of his service he receives a gratuity.

Mr. Hellyer: I wish to direct a question either to the minister or to the associate minister. Can the minister confirm or deny that a letter was sent to camp commanders telling them that all chemicals were henceforth to be bought from a specific firm in Vancouver?

Mr. Pearkes: I have no knowledge of this. It seems to me that all chemicals are bought through the Department of Defence Production. I do not know why there would be any chemicals bought through other channels unless the quantity involved was very small and had to be obtained locally.

Mr. Hellyer: Does the minister deny that this matter was brought to his attention and that a second letter was sent out with instructions to ignore the first one?

Mr. Pearkes: I cannot deny or confirm that. I have no recollection of it, and I cannot say whether such a letter was sent out. You have probably got a copy of it.

Mr. Carter: I want to thank the minister, first of all, for the answers he gave to my questions about the infra-red equipment and the navigational aids for tanks. I am pleased to note that development is proceeding along those lines and that this kind of equipment has now reached the testing stage.

The minister also told us that one of the roles of the brigade groups in Canada would be to deal with commando raids. Enemy commando raids are usually made either to secure information or to knock out installations. We have many installations, communications and radar systems or warning systems which are in very isolated places in the Arctic or in coastal areas which are not easily reached by aircraft. The minister intends to provide our troops with Bobcats, but these would possibly not give the kind of mobility which he would need in a situation of that kind.

We have heard a great deal about these hovercraft which travel on a cushion of air, and it would seem that a vehicle of this kind would be ideal for recovering troops which might have to be parachuted into isolated areas to deal with any commando raids that might take place. Would the minister tell us if any consideration is being given to the acquisition of vehicles of this kind for our armed forces?

Mr. Pearkes: The vehicle to which the hon. gentleman refers has not yet been fully developed. Naturally the department is watching the progress of that development with great interest. I think it will be a couple of years yet before this particular type of vehicle becomes operational. If I recall correctly, money has been voted for the development; some $2.5 million has been contributed by the government toward the development of this Avro car project.

At the present time we are relying upon helicopters. We also have the Otter aircraft, and we also have the Cansos which are now being replaced by the Albatross which will be an infinitely better aircraft and capable of landing on water in those areas.

Reference was made to the commando type of operation, and I did not reply to that. It is possible that commando type operations in conjunction with air attacks on this continent might be undertaken, and in order to be prepared for any eventuality we do have troops trained for operations in the Arctic.

While I am on my feet, I should like to thank the hon. member for the discourse he gave this afternoon on psychological training. We shall be pleased to study that carefully and look fully into his recommendations.

Mr. Hellyer: I wonder if the minister could say if the army has adopted the United States radiac meter CDV-710 model 5 and if it has yet obtained delivery?

Mr. Pearkes: I do not think we have had supplies in quantity as yet.

Mr. Hellyer: Is this not the basic equipment necessary for testing drinking water and food for radioactive contamination?

Mr. Pearkes: I believe that is one of the uses which the equipment is designed to serve.

Mr. Hellyer: I wonder if the minister could say if the army has ordered the IM-108? Can the hon. gentleman say if the army has bought this piece of equipment, whether the contract is let to a United States firm, whether the contract is still in force or whether it has been cancelled?

Mr. Pearkes: The contract for that type of equipment is let through the Department of Defence Production. I would not be able to inform the hon. member whether it has actually been let.

Mr. Hellyer: Could the minister say if the army has any of this basic equipment necessary for civil defence and survival operations sufficient to issue to its units concerned?

Mr. Pearkes: At the request of the hon. gentleman I placed before the committee on defence expenditures a full list of the equipment which was being obtained.

Mr. Hellyer: Mr. Chairman because of the lack of the necessary equipment in that list I was really wondering whether the minister had managed to obtain enough in the meantime, or whether we are still, you might say, defenceless in respect of this basic equipment for civil defence?

[Mr. Pearkes.]

Mr. Pearkes: No, we certainly are not defenceless as far as civil defence equipment is concerned. We have a large quantity on order and as funds become available and as the equipment becomes available we are obtaining some.

Item agreed to.

223. Construction or acquisition of buildings, works, land and major equipment, $70,410,000.

Mr. Badanai: For two years the Department of National Defence has been developing an amphibious vehicle known as the Bobcat in conjunction with the Canadian Car Company of Fort William. On several occasions I have asked the minister about the progress being made in the development of the vehicle, and whether a decision has been reached to adopt this vehicle for the Canadian army. I am particularly interested in this program because the Canadian Car Company would in all likelihood be the successful contractor by reason of the fact that this vehicle was designed in their shops. Therefore I was very much interested to hear the minister say in his opening remarks yesterday that the Bobcat is still under active consideration. If the final report shows that the vehicle comes up to expectations it will then be possible for the government to order production. Assuming that the department responsible for the recommendation makes a favourable report can the minister inform the committee as to the number of vehicles that would be produced?

Mr. Pearkes: As I said a few minutes ago, the vehicle is in the final stages of its development. When that development has been completed, if the decision is taken by the government to acquire this vehicle, as I certainly hope it will be if it comes up to expectations, then we shall go into production. At the present time it is too early to say exactly how many we should require, but it would be in the order of the magnitude of a couple of hundred or more.

Mr. Badanai: Is the minister in a position to say something about the challenge and the practicability of the development of the Canadian armed forces of air cushion vehicles of the sort which are proving themselves in the United States and in the United Kingdom? If supported in doing so I am sure there are several Canadian companies capable even yet of developing such a vehicle. I should like to hear from the minister whether the Department of National Defence has given any particular consideration to this air cushion vehicle?

Mr. Pearkes: Yes; that is precisely the question I answered about five minutes ago. I explained that we are watching with interest the development of the so called Avro car. The development which is going on in the United Kingdom, on the isle of Wight, is known as the hovercraft. I inspected that personally last year. Of course, they are still in the very early stages of development and none of them is proven as yet.

Mr. Badanai: One more question; some time ago I asked about the government's intention as to the purchase of 1,000 prefabricated homes to be used by army personnel. Can the minister now indicate whether there has been a major decision in the matter as yet?

Mr. Pearkes: No decision has been made in that matter. It is not clear what the requirement will be.

Mr. Weichel: Mr. Chairman, with reference to item 223, concerning construction and acquisition of buildings, some time ago I presented to the Minister of National Defence a brief concerning the proposed construction at Kitchener, Ontario, of a north Waterloo defence building. Such a structure would accommodate the following garrisons now located in various buildings where facilities are inadequate: 54th L.A.A. regiment, Scots Fusiliers of Canada; the 48th field squadron, Royal Canadian Engineers; 137th company Royal Canadian Army Service Corps; 12th medical company Royal Canadian Army Medical Corps; Kitchener detachment 18th militia group headquarters; R.C.N. Kitchener to H.M.C.S. *Star;* army recruiting office, regular forces; navy recruiting office, regular forces; headquarters Ontario region No. 3 civil defence; Waterloo county headquarters No. 3 civil defence. Existing accommodation in these cases, as mentioned in the brief, are not too satisfactory. As an honorary member of both of these units, I understand some of these problems.

Advantages of the proposed national defence building are many and are outlined in various items in the brief presented. If these garrisons were housed in one building they would be better equipped to co-operate in peace as well as during an emergency, and would contribute to the efficiency, co-operation and good morale of all military forces.

Such a building would bring to the public a proper perspective of the role of our military and civil defence forces in the preservation of our way of life. It would create pride in service and pride of unit for the serving militiamen and a feeling of recognition for civil defence forces. The building would enhance the efforts of service information branches to attract the right type of man into the permanent forces and would induce the general public to take an interest in civil defence and to attend lectures to study survival, rescue and first aid techniques.

The substantial economy possible by the erection of such a building compared with the present facilities is well known to the department. These garrisons, under their commanding officers, are doing a splendid work. I hope the minister will give this matter his very serious consideration.

Item agreed to.

Royal Canadian Air Force—
224. Operation and maintenance, $536,737,000.

Mr. Pearson: Mr. Chairman, I wonder whether the minister can give me some information about the equipment situation about the CF-100? I fancy the CF-100 is a plane which is not being manufactured now. It is still in use both in Europe and in Canada. What is the reserve situation? How long can we go on like this without manufacturing the CF-100 to keep the CF-100 squadrons in operation?

Mr. Pearkes: The situation regarding the CF-100 is that there are quite a large number of these aircraft in reserve, and they have been rotated between the active squadrons and the reserve. It has not yet been necessary to cannibalize any of them; that is taking parts of one to put in another. We have sufficient spare parts for the time being and I think sufficient parts to carry on during the life of the aircraft. We expect the aircraft to be phased out in 1962.

Mr. Hellyer: With respect to the figure of $170 million which he referred to earlier as being expended for military air transport, can the minister say to which year he was referring, 1959-60 or 1960-61?

Mr. Pearkes: That is the total amount for the acquiring of the aircraft to which I referred. Did I say it was included in this year?

Mr. Pearson: Yes.

Mr. Pearkes: That was incorrect. It is the total amount to complete the purchase of the aircraft to which I referred.

Mr. Hellyer: Can the minister estimate how many additional transport aircraft he could obtain if the Canadian government divested itself of the responsibility for the SAGE-Bomarc program and the $120 million was used alternatively for the purchase of transport aircraft?

Mr. Pearkes: There are 12, 106's, 10, 109's, 4, 130's, 10, Albatross, 4 of the new Caribou and 25 Otters.

Mr. Hellyer: I think the minister misunderstood my question. Can he estimate how many aircraft of the standard type of air transport he could obtain for the additional $120 million if the government should divest itself of the responsibility for the SAGE-Bomarc program or spent that same amount of money obtained from elsewhere?

Mr. Pearkes: The average price of a larger transport would be about $4 million. I wish to emphasize again that the SAGE project is not restricted to the use of the Bomarc. If the Bomarc is not proceeded with we would still go ahead with SAGE so that interceptors could operate effectively over Canadian air space. Whether they were United States interceptors or our own Canadian interceptors they would require the SAGE environment system.

Mr. Hellyer: If it was only being used by United States interceptors presumably there is no reason why, if they needed it, they should not pay for it. Can the minister tell us whether lists of R.C.A.F. personnel have been supplied to any private commercial firms for commercial purposes? I have a letter here and I think the minister has a similar letter or a copy of the same letter from someone in Edmonton alleging that a list of R.C.A.F. personnel had been given to a private moving company in Edmonton.

Mr. Pearkes: Not that I know of. The situation regarding personnel moving from one station to another is that each station receives from the industry the names of reliable companies which are recommended for the movement of the household effects of personnel. The serviceman is then informed that from this list of well known companies which have proved to be reliable he may select any one firm that he likes. If, on the other hand, he decides to ignore the list and to use a form of transportation the costs of which are in excess of those that are normal for the movement he is then expected to pay the difference.

Mr. Hellyer: I recognize that old and continuing policy, but there is an allegation in this letter that lists have been supplied to a moving company which in turn wrote to airmen in the Edmonton district. If I give this letter to the minister at some future time will he look into the matter?

Mr. Pearkes: I will be very pleased to do so.

Mr. Hellyer: Would the minister indicate the policy with respect to Trans-Canada Air Lines pilots being allowed to participate in auxiliary squadrons of the Royal Canadian Air Force? Is there a limitation on the percentage of T.C.A. pilots who can participate in any squadron and, if so, why?

Mr. Pearkes: Yes, there is a limitation on the number of pilots for the obvious reason that we would not wish to have too many pilots from these important commercial companies serving with the auxiliary squadrons.

Mr. Hellyer: Has the percentage allowed been reduced recently and, if so, did the minister consider the previous allotment excessive?

Mr. Pearkes: I do not think the actual percentage has been reduced yet but there has been an indication that there will be a lower percentage in the future.

Mr. Hellyer: Is there any intention that they should be excluded altogether from the auxiliary squadrons? I would hope that is not the case and I should like to have the minister's assurance.

Mr. Pearkes: As long as the auxiliary squadrons are in operation and are included in the establishment of the air force reserve, the pilots to whom the hon. member has referred will not be excluded entirely.

Mr. Hellyer: In the minister's very careful statement which he gave tonight in closing the debate on the administration item, for which we thank him, he mentioned a figure of three interceptors in lieu of each Bomarc missile. Would the minister elaborate on that? I remember that at the time of the controversy in the United States General Kuter said that in the event the Bomarc squadrons were cancelled he would want one interceptor to replace each missile and there was some question whether that might not be excessive because interceptors can fly more than one sortie.

Mr. Pearkes: It was three to one in capital cost and in operation and maintenance expenses.

Mr. Hellyer: In giving the ratio of three to one the minister referred to cost rather than aircraft?

Mr. Pearkes: That is correct.

Mr. Hellyer: That would be on the basis, no doubt, of the cost remaining to be paid after the preliminary development costs had been written off.

Mr. Pearkes: Yes.

Item agreed to.

225. Construction or acquisition of buildings, works, land and major equipment, $228,192,000.

Mr. Winch: Mr. Chairman, I attended some 26 meetings of the special committee on defence expenditure. I have listened very intently to everything that has been said by the Minister of National Defence and the Associate Minister of National Defence, and thus far I have not heard any convincing arguments as to any benefit that can accrue to Canada from the installation of the Bomarc. I am not going to take up the time of the committee in repeating the arguments that I put forward in the special committee on defence expenditures. I am not going to repeat the arguments I used last night or this afternoon because they are well known to the house. I am just going to say that in my opinion this is a bad policy, a waste of public money, and will in no way prove of benefit in the defence of Canada. Because I believe in having the courage of my convictions, I move, therefore:

That vote 225 of the national defence estimates be reduced by $8 million, the approximate amount allocated for Bomarc installation expenditures for the fiscal year 1960-61.

Mr. Pearkes: For the reasons I have already given, we cannot accept this amendment.

Mr. Hellyer: Mr. Chairman, this, in effect, is the same amendment that this party moved earlier in the session when we were considering interim supply. For that reason, sir, you may wish to consider whether or not it is in order, a decision having been taken at that time. If you decide it is in order, for the sake of consistency and in view of the statements we have made that we believe this program does not involve the best possible use of the Canadian taxpayers' money in the defence field, we would have to support the amendment.

The Chairman: The hon. member did not raise formally a point of order? Is the committee ready for the question?

Amendment (Mr. Winch) negatived: Yeas, 21; nays, 35.

Mr. Hellyer: Earlier tonight the minister said that the Bomarc sites were so small he felt it would not be likely they would be vulnerable to a missile launched three or four thousand miles away. I wonder if he would elaborate on that a little bit, especially in view of the information he gave to the select committee which would indicate an intercontinental ballistic missile launched even six or eight thousand miles away and carrying a five-megaton warhead would knock out a Bomarc station even if it missed by its maximum rate of error of a full two miles.

Mr. Pearkes: The area of the site is not extensive. It would only be a few acres which would cover the actual positions of the launchers. I think it would be extremely difficult for a missile which was launched, shall we say, from Russia, to have the accuracy necessary to hit one of these sites. Now, it is not impossible. Nothing is impossible. Perhaps as missilry development continues it may be possible that they could be hit, but at the present time I think it would be very unlikely.

Mr. Hellyer: I do not wish to labour this, and I am also sure the minister would not wish inadvertently to create any wrong impression. Surely he is not arguing that an intercontinental ballistic missile carrying a five-megaton warhead, and which came within a mile and a half or two miles of a Bomarc site, would not put that site out of operation, when the sites are soft and do not have hardening.

Mr. Pearkes: There will be a certain amount of hardening around these sites. I question whether a missile landing at the distance the hon. member suggests would necessarily disrupt the launching pads.

Mr. Hellyer: I do not wish to quarrel with the minister, but the chart he showed us in the special committee indicated that there would be total destruction for a radius far beyond that, and certainly the personnel on the site would be killed.

Mr. Pearkes: As I said, there is a certain amount of hardening being done around these sites, that is to some of the installations which will be below ground.

Item agreed to.

Defence research and development—
Defence research board—

226. Operation and maintenance, $23,952,119.

Mr. Herridge: I have some correspondence from some people in Edmonton. I am not going to read it because I can paraphrase it. They are concerned about the activities of the Suffield laboratory, which were dealt with by the minister in answer to a question I asked last session. The minister suggested that the experiments were of a purely defensive nature. They ask, would it not be proper for the station to be under civilian and not military control. They say there is a very close guard kept all around the station and that the personnel working there are required to sign declarations not to divulge the type of research being conducted. A number

of people are of the opinion that this work is of an offensive, anti-social, anti-humanitarian character. I would ask the minister if he would just inform the committee if the research at Suffield is purely of a defensive nature and not concerned with the manufacture of those insects and other things which cause great damage to life and which one United States military expert said were much cheaper than nuclear weapons. Does the minister think it would be advisable to bring this establishment under civilian control in order to allay these fears as to the type of research being conducted?

Mr. Brunsden: Do the hon. member's correspondents suggest that there is a member in this house for the constituency of Medicine Hat, in which this station is located, and that he might have some knowledge of what is going on there?

Mr. Herridge: We admit it, but he does not say anything about it.

Mr. Pearkes: The head of the Suffield experimental station is a civilian, Mr. Penny. This whole project comes under the defence research board, which is composed of civilians. There are perhaps some military personnel employed there in connection with administrative and guard duties. The organization and running of that station is under Mr. Penny, a civilian, and I believe the staff of scientists is composed of civilians.

Now, in so far as the other parts of the question are concerned, I may say I visited Suffield last fall. I can assure the hon. gentleman from personal inspection that all the experiments which are carried out there are of a purely defensive nature. If they are connected with chemical or bacteriological work, it is to see how the livestock, our crops and our people can be protected against that type of warfare. There is no manufacturing of chemical gases or anything of that nature carried out at that station, other than very small quantities which may be required for tests. But as some of the chemicals used are of a very dangerous nature, if people who are not protected came near those areas it is necessary for the guards to prevent them from moving through the area. The vital parts of the area are all wired off by security fences.

Mr. Herridge: Mr. Chairman, I am very pleased to have this clear and detailed explanation from the minister and I shall inform my correspondents of his answer.

Item agreed to.

National defence general—

230. To authorize, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, total commitments of $2,950,656,748 for the purposes of the foregoing votes relating to national defence, regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,420,466,950 will come due for payment in future years), $1.

Mr. Cardin: Mr. Chairman, I have a question which I think should perhaps more properly have been asked on item 221 but I wonder if the minister would accept my question under the heading of "national defence general"?

My question has to do with destroyer-escorts, and I was wondering whether the minister would consider answering whether construction of the escorts has been started yet, whether any have been completed, and at what shipyards has the construction taken place?

Mr. Pearkes: The construction of the six repeat *Restigouche* has started on all six ships. You asked for the location. The construction of the *MacKenzie* was commenced in October, 1958 by Canadian Vickers Limited of Montreal. That was the pilot vessel of this type. The *Saskatchewan* is being constructed at the Victoria Machinery Depot and that contract is being split between the Victoria Machinery Depot and Yarrows Limited, both of Victoria, British Columbia. Construction commenced in August, 1959.

With regard to the *Yukon,* construction commenced in October, 1959, at the Burrard Drydock Company Limited of North Vancouver. Regarding the *Qu'Appelle,* construction started in January, 1960 at the Davie Shipbuilding Limited yard at Lauzon, Quebec. Regarding the *Annapolis,* construction was started by the Halifax Shipyard, Halifax, Nova Scotia, in April, 1960. In regard to the *Nipigon,* construction was started in July, 1960 by Marine Industries Limited, Sorel, Quebec.

Mr. Cardin: When does the minister expect that these ships will be in operation?

Mr. Pearkes: I think it takes about four years to complete the construction and the tests, and it would be approximately that length of time before they came into operation.

Mr. Hellyer: This item is the one which enables the government to make advance commitments with respect to the equipment it is buying and I would like to very briefly at this time again caution the government and raise the question which I have raised before in the committee.

Tonight we are being asked to authorize expenditures of $1.6 billion for the armed forces of Canada, but in addition to that we are being asked to commit the government

and the people of Canada to a further expenditure of hundreds of millions of dollars for future equipment.

We were very appreciative of the minister's statement earlier this evening. It contained more information by far than his earlier statement, when we would have expected it. He made a reasoned attempt to deal with some of the problems that we have raised, and as a matter of fact his answer underlined in stark detail the uneasiness which we have in respect to some of the policies of the present government. I do not wish to recapitulate at the present time all the points which have been dealt with. I made notes of some of them; but I have just made a resolution not to rehash them all again tonight.

But I would like to take this opportunity to say that what we have proposed is not a negative policy. It is not a policy of merely disengaging from the use of nuclear arms for Canadian forces on Canadian soil, and from the use of atomic offensive weapons with the air division overseas. It is not just being dissatisfied with certain pieces of equipment that the present government intends to secure for the armed forces of Canada. It is a change of direction and a change of emphasis. It is a warning to the government to consider at this point, before it spends any further and before it becomes involved in greater detail and in greater capacity in new projects, the rejection of spending on defensive weapons for use in an all-out nuclear war which would be useless under those conditions and which would not in fact provide a defence under those circumstances.

I am sure that the minister will agree that he has a real problem. He himself told us, I think this afternoon—if I remember correctly—that it would not be too long before the Russians would have several hundred intercontinental ballistic missiles. Once that condition is reached the possibility of widespread construction is very great indeed.

Under these circumstances, Mr. Chairman —as we have tried to point out during this debate—conventional defensive weapons, if that is what you want to call them, even with atomic warheads as presently in existence, or as presently contemplated, are ineffective. They just will not do the defensive job which should be done.

Under these circumstances we feel the change of direction that we have suggested is one which will take this money, which we feel would otherwise be wasted, and direct it into equipment and into those aspects of defence which would contribute to peace through the mechanics of stopping brush fires or limited situations before they develop into an all-out thermonuclear war—because this is our only hope as far as defence is concerned.

If any of these situations get out of hand and thermonuclear war does develop, then the limited amount we have spent on defence and the limited defences we have will be, if not useless, virtually useless to us. Therefore, it is for this reason that I would ask the government to pause in its course to take a look at the direction in which it is going; a direction which some of us feel is not too different a direction from that of national defence policy of three years ago, at which time the first sputnik had not been put into orbit and the threat of massive attack by intercontinental ballistic missiles seemed still to be very far in the future.

We ask the government to ponder on these things and to consider if now is not the time to change the course of Canadian defence policy so as not to waste further funds on inadequate weapons which will not provide real defence, even though they may be represented as providing some defence; but rather to put our limited resources into those things which will be helpful, which will supply the flexibility and the opportunity for coping with situations which if they got out of hand might break the peace and bring on a thermonuclear holocaust.

Mr. Pearkes: I can assure the hon. member that the Minister of National Defence and the Associate Minister of National Defence and their advisers, military and civil, are very conscious of the responsibility which has been placed on their shoulders and they will do their best to ensure that the money which is made available to them for national defence is used to the very best advantage, and we shall take cognizance of and consider the recommendations which have been made by the hon. member.

Mr. Herridge: Mr. Chairman, I have a question under this item. I am not sure if I am quite in order, but I am so seldom out of order that I trust the committee will not criticize me. It has been brought to my attention that owing to the numbers of members of the armed forces in Halifax there is quite a lot of competition between civilians and military personnel in housing and the cost of housing is unusually high in that city. I was asked at the request of a member who is unfortunately not with us tonight to ask the minister if he has had any complaints concerning this situation and if the department would consider, if they are going to continue their present naval program, the undertaking of a housing project for the naval forces in order to relieve this situation.

Mr. Pearkes: Mr. Chairman, we are fully aware of the shortage of housing for service personnel in the Halifax area. We have under consideration at the present time the erection of a considerable number of additional houses for married quarters. It is unfortunate that in a city like Halifax where there is a large congregation of service personnel there is no adequate civilian accommodation to enable the servicemen to live out in rented quarters.

Item agreed to.

The Chairman: That completes the estimates of the Department of National Defence.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

390. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $2,630,716.

The Chairman: Department of Trade and Commerce, item No. 390. This item will be found on page 71 of the blue book, the details on page 486.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Chairman, I propose dealing with some aspects of the Department of Trade and Commerce. I shall not make any attempt to cover all the points in such a wide ranging department, but as we reach various items in the estimates questions may be asked and answers given at those points.

I would direct hon. members to the annual report of the department which for the second year in succession has been issued in somewhat new form and gives in part I a review of economic and trade developments with regard to this country. Part II deals with the work of the department in detail.

The remarks which I have to make tonight are divided into four main sections. I will speak about certain organizational changes which have been taking place in the department. I will deal with trade promotion activities of the department, and with general trade policy, and conclude with a review of our present trade position and the outlook for the balance of the year 1960.

As new programs develop and as the emphasis in our operation changes to meet new situations it has been found essential to modify the organizational establishment of the department and over the past year a number of important organizational changes have occurred. Some of these were initiated by a highly respected member of the civil service of Canada, the late John English, who was deputy minister of the department a year ago and after a lengthy illness passed away on January 1 of this year. He had spent 33 years with the Department of Trade and Commerce. Mr. English's devotion to duty and his professional skill were appreciated by all of us who knew him.

I owe a great deal to the experience and advice of the late John English. I found him a most devoted public servant and a man who had great capabilities and a love for his work, and he had a friendly disposition toward all those with whom he came in contact. His death at the age of 58 was a tragic loss to his associates and to the business community of Canada.

Early last year reorganization of the department was undertaken for greater efficiency and to provide the maximum of assistance to Canadian businessmen. In June, 1959 the area divisions of the trade commissioner service and the international trade relations branch were integrated. As a result a number of trade commissioners are now receiving experience in trade policy matters and the trade relations branch has been brought into export development as well as trade policy work. This move, coming at a time when trade policy negotiations have assumed a role of crucial importance with respect to our export trade, has been well received in the department and by businessmen.

In May of this year arrangments were made to recruit two new assistant deputy ministers to assume responsibility for the department's activities with respect to domestic commerce and commodity services. Interdepartmental competitions have been held and the new officials will take office shortly. The department is placing increased emphasis on its promotional activities in Canada. Every effort will be made to uncover new opportunities for industrial development and to create a climate in which these opportunities can be translated into action.

When the present organization changes are fully effective the Department of Trade and Commerce will comprise four major areas of responsibility. Each of these will be assigned to an officer of assistant deputy minister rank reporting to the deputy minister. These areas are as follows.

1. External trade promotion, which has under it the trade commissioner service, the Canadian government exhibition branch and the trade publicity branch.

2. Trade policy, which has under it the economics branch, the international trade relations branch and the foreign aid services branch.

3. Commodities and industry, having under it the commodities branch and the agricultural and fisheries branch.

4. Domestic commerce, which comprises the industrial development branch, the standards branch and the small business branch.

The dominion bureau of statistics, through the dominion statistician continues to report directly to me.

This new organization will improve administrative efficiency and will offer businessmen and exporters a more logical and convenient structure to deal with. We expect that it will also permit the deputy minister and his assistants to devote more time to planning and policy matters.

Now I turn to trade promotion. The promotion of Canada's foreign trade is the purpose for which the department was originally established in 1887. The branches which contribute to this work devote their entire time and energy to serving Canadian businessmen. In this day to day work they employ a full range of techniques for developing foreign trade. They select from the available variety of methods those techniques best suited to any one market at any one time. The department keeps all techniques under review and is constantly alert to adapt them as changing circumstances require.

One technique that has been consistently used to advantage is participation in foreign trade fairs. The department, with the active support of industry, participates in trade fairs in order to sell Canadian goods and services. It has demonstrated that this is an effective means of trade promotion.

The department extends assistance to private industry by ensuring that up-to-date answers on trade fair questions are available; by organizing collective exhibits and bearing part of the costs; and by providing the experienced co-operation of the trade commissioner on the spot, who will do all he can to ensure a successful participation. Results may be direct, as evidenced by immediate contracts completed at the exhibit, or indirect, in terms of transactions conceived at the exhibit but completed long afterward. The firm prepared to recognize trade fair participation as an important though not isolated step in the market development campaign will likely be successful. The 1960-61 program involves some 16 participations. Each individual trade fair participation has been carefully selected for its trade promotion potential and will be carefully exploited.

One example of the varied approaches being developed by the department is in trade fair work in the engineering field. This specific endeavour has been directed to the competitive U.S. market. The first time the department participated in a specialized industrial show was in September 1958. The results were so encouraging that in 1959 we participated in three additional shows, and this year we are again participating in four shows. It is difficult to estimate the actual dollar value of orders received which are directly attributable to participation in these shows. However, impressive sales in such a variety of equipment as hydraulic attachments for metal working machines, multicavity moulds, vulcanizing equipment, electronic devices, and hydraulic landing gear for aircraft can be credited to such participation. This effort has resulted in increased prestige for the Canadian companies concerned; it has increased the confidence of these firms in their products; and it has proved that there is a significant market in the United States for Canadian manufactured products.

Another effective technique in trade promotion is the trade mission. The department has in the past made occasional use of this technique with success. We believe that the time is particularly advantageous now for this type of promotion to be used in several areas to facilitate greater effort on the part of Canadian business. These conclusions are reinforced by the increased competition in international markets. We have, therefore, embarked on a vigorous new program of trade missions. The department appreciates that to ensure their success the trade missions should be specialized in their objectives. These missions should consist of a small group of enterprising businessmen who will be accompanied by a senior official of the department. Their itineraries will be carefully prepared and co-ordinated through the trade commissioners in the areas concerned.

The department now is developing plans for a number of missions for specific purposes in selective markets. The liberalisation of the British import market has made it possible for exporters of foodstuffs to look again to that market as the substantial outlet they found there before the war. The department therefore proposes to send a mission representative of the Canadian processed food industry to the United Kingdom at the time of the British food fair in London in September. The mission will visit other main centres and have many interviews with the trade.

As a result of the experience gained at previous exhibits where Canadian timber and timber products were features we feel that a trade mission consisting of representative Canadian timber and plywood exporters can do an effective follow-up job to revive interest in Canadian lumber in the United Kingdom. We anticipate that this mission will commence its activities by attending the Manchester building trades exhibition in October.

As part of our program to maintain and develop our trade in the European economic community we are proposing to send

a strong mission representing chemical, metal and mineral, and pulp industries to those six countries in October.

Opportunities for the export of a wide range of technological services to many parts of the world have grown remarkably in recent years. The great fund of experience which we possess in this field as a result of our own rapid economic development opens new and promising avenues to explore abroad. Canadian consulting engineering firms have already secured large contracts and earned excellent reputations in several continents. Attractive opportunities are developing in South America. Up to the present few Canadian firms have acquired first hand knowledge or experience of operations in this area. To meet this need the department is planning a mission of Canadian consulting engineers which will visit selected South American countries in September.

Yet another aspect of trade promotion involves facilitating visits to Canada by businessmen from abroad. The success that can be achieved by encouraging the importers of other countries to come here was demonstrated earlier this year by the visit of a delegation of Rumanians headed by the Rumanian vice minister of agriculture. While in this country they purchased a substantial quantity of livestock and other agricultural products. Included in their purchases of livestock were 110 head of pure bred Holstein-Friesian cows and three bulls, 20 head of Aberdeen Angus cattle, over 1,100 head of Hereford cattle, 200 head of Landrace hogs, and a few sheep. They also purchased a substantial quantity of hybrid seed corn and some soybean seed. It is felt that the purchases will result in further business with Rumania. Departmental officers assisted in arranging the visit of this delegation and also provided assistance while the group was in Canada.

These trade missions represent an important aspect of our new program through which we hope to give still further assistance and encouragement to Canadian exporters in their efforts to maintain and expand markets abroad.

No part of the department has been a greater proponent of the usefulness and value of personal visits to overseas markets than the trade commissioner service, the overseas arm of the department. This field force is continuously at the service of Canadian businessmen engaged in, or interested in engaging in international trade. By September of this year the trade commissioner service will have a total of 63 posts staffed by 114 career officers. In 1939 there were 35 posts and 61 officers. Twenty years ago Canada was represented by trade commissioners in 27 countries; by September of this year our representatives will be in 49 countries.

Three new offices have been established this calendar year, in Glasgow, Canberra and Moscow. A fourth is being opened in the fall at Lagos, Nigeria. The department continues alert to the need for yet further officers and certain other possible new posts are under study.

On the subject of trade policy, although I dealt at some length with this in the debate we had in the house in March, I felt it wise to review the situation again. There has been a good deal of debate both within and outside the house regarding the implications of recent developments particularly in Europe so far as Canada's trade policy is concerned.

There has been a good deal of debate regarding the implications of recent developments, particularly in Europe, for Canada's trade policy. As I indicated to the house last March, our trade policy has been directed to the achievement of a trading system in which Canadian exports have access to markets throughout the world on a basis of equality with all other suppliers.

While the trade rules embodied in the general agreement on tariffs and trade are not without imperfections, the principles of most favoured nation treatment and non-discrimination on which this agreement is based provide the kind of trading arrangements best suited to safeguard Canada's diverse and broad trading interests.

The achievement of this multilateral system and the realization of the advantages which would reasonably be expected from it was, for many years, frustrated by the prevalence of severe foreign exchange difficulties in many parts of the world. More recently, with the improvement in world economic and financial conditions, the import controls which have been maintained by many other countries against our goods have been rapidly disappearing. As a result Canadian exporters are for the first time since the war in a position to compete on equal terms in most markets with other most favoured nation suppliers.

While we have come a long way toward the realization of the goal which Canada has been pursuing in the post-war period, more remains to be done. With the progress in the removal of balance of payments restrictions on trade the restrictive effect of widespread agricultural protectionism has become increasingly apparent. The degree of restrictions maintained against imports of agricultural products by other countries seriously affects Canada's trade and disturbs the balance of advantage between the agricultural exporting countries and their trading partners.

While it would be unrealistic to expect that national measures to support agriculture

could be eliminated, there is scope for a significant downward adjustment in the level of agricultural supports and the degree of protection afforded by tariff and non-tariff barriers to trade in agricultural products. I am speaking here of our trading partners abroad. A special examination of this subject has been undertaken in the GATT with a view to finding ways and means of ensuring more reasonable access to world markets for the products of Canada and other agricultural exporting countries.

Our trade policy objectives must, of course, be considered in the light of the emergence of new trading arrangements, particularly in Europe. The six countries of the European economic community—Belgium, France, Germany, Italy, Netherlands and Luxembourg—are proceeding with the setting up of a common market among themselves, looking to economic integration and close political association. These arrangements will eventually involve the elimination of tariffs and quantitative restrictions on trade within the area and the development of a single tariff against imports from outside countries. The first steps in the implementation of these arrangements have already been taken.

In addition, the common market countries are in the process of working out a common agricultural policy. The United Kingdom and the other European countries not members of this common market are establishing an industrial free trade area among themeslves. In the implementation of their E.F.T.A. the United Kingdom and other countries concerned have taken the first step in the elimination of tariff barriers to trade within the area. As a result of these developments two regional groupings are evolving in Europe. Politically Canada has been sympathetic to the broad objectives of European economic integration. We have, however, been conscious that the emergence of two regional groups in Europe could lead to a serious trade split and adversely affect the close trade and economic co-operation which has been established between the European countries and between them and their outside trading partners, including, of course, Canada and the United States.

Canada's direct trade interest in relation to the European economic community is to obtain fair and reasonable access to the common market for Canadian exports. The level of the common market tariff is of critical importance in this respect. Further, some 40 per cent of Canada's exports to the common market countries are agricultural products and the kind of agricultural policy which is developed by the European economic community will have major significance for the future of Canada's trade and commercial relations with this area.

As far as the free trade area of the seven is concerned, the immediate impact on Canada is the effect on our preferential position in the United Kingdom market. The free trade area arrangements will eventually give the United Kingdom's partners in E.F.T.A. generally the same tariff access Canada now receives in the United Kingdom market. This means that Canada which had previously been accorded preferential treatment in competition with the Scandinavian countries and with Austria, Switzerland and Portugal, will in the future face the prospect of competing with these countries on broadly equal terms in the United Kingdom.

The general agreement on tariffs and trade has been and continues to be the major international instrument for the protection of Canadian interests against possible adverse effects of these regional developments in Europe. Its provisions establish certain criteria and safeguards which must be observed in setting up customs unions of free trade areas. These provisions are useful not only in setting the framework for GATT examination of proposed arrangements but also as the basis for bilateral representations to the countries concerned.

Amongst other important safeguards the GATT requires that in the formation of customs unions or free trade areas participating countries must not raise new barriers to the trade of outside countries. Against these criteria the provisions of the treaty of Rome have been under continuous examination by Canada and the other contracting parties. We have also been active in direct representations and discussions with the six and the European commission.

An important example of our initiative in this regard was the recent consultations with the European economic community concerning the prospective agricultural arrangements of the common market. In these consultations Canada was joined with the United States, Australia, New Zealand and the Argentine. The consultations provided Canada with a further opportunity to remind the European countries of the importance which we attach to the trade in agricultural products and to urge them in the interests of maintaining and developing our mutually advantageous trade to evolve agricultural arrangements which will ensure that Canada has a reasonable opportunity to compete in the European market for agricultural products and to participate in the growth in that market.

At the recent GATT session the contracting parties had a first opportunity to examine the convention providing for the European free trade association of the seven. These arrangements are to be subject to further GATT examination. Outside the region of Europe there is also the Montevideo treaty signed by Argentina, Brazil, Chile, Mexico, Peru, Paraguay and Uruguay for the establishment of the Latin American free trade association. The terms of this association have also been brought under review in Geneva and will be examined further at the next GATT session this fall.

The forthcoming multilateral tariff conference which opens in Geneva in September will provide an opportunity, in the first phase, for Canada to address itself in negotiations with the E.E.C. countries to the level of the common market tariff. In this respect, the fact that most of Canada's exports to the common market are protected by bound tariff concessions which have been negotiated with the common market countries provides an important safeguard for ensuring continued reasonable terms of tariff access to the European market. To implement the common external tariff member countries of the common market will inevitably be making adjustments in the tariff concessions which they previously negotiated individually. But there is a collective obligation to maintain the general level of reciprocity through entering, as a unit, into new contractual obligations which ensure no less favourable access for outside countries than previously existed. The Canadian government will participate actively in these renegotiations with the common market countries and in the general negotiations to follow.

The tariff conference, in the second phase, will, of course, also provide an opportunity for Canada to negotiate for improved tariff access to other markets throughout the world, including that of the United States.

One further aspect of this tariff conference that is worth emphasizing is that through tariff negotiations between the European seven and common market six the emerging trade split in Europe can be eased. The benefits of all tariff reductions negotiated throughout each phase of the conference will, of course, be extended to Canada and other countries on the basis of the most favoured nation provisions of GATT, including the benefits of the important negotiations between the six and the United States.

Canada is also actively participating in the economic discussions which have been taking place in Paris since the ministerial meetings held there in mid-January last which the Minister of Finance and I attended. At these meetings the 18 European members of the organization for European economic co-operation and their two associates, the United States and Canada, agreed to proceed with the reconstitution of the O.E.E.C. and established two bodies to deal, in the interim, with certain trade and aid matters, namely the committee on trade problems and the development assistance group.

Canada has been closely engaged in all three endeavours, the first two of which are of special significance in so far as our trade interests are concerned. As the house was informed recently by the Minister of Finance, plans were drawn up at the ministerial meeting in Paris on July 22 and 23 for the establishment of a new organization for economic co-operation and development in which it is envisaged that the European countries, together with Canada and the United States, will participate. The O.E.C.D., as it will be known, is designed to facilitate and promote economic growth and contribute to the development of the world economy and world trade on a multilateral non-discriminatory basis.

With a view to the protection and furtherance of Canada's export interests we are following these matters with the closest attention. The existence of the common market in Europe and of European free trade association are facts of life which must be taken into account. These groupings can develop in ways which will promise larger markets for Canadian goods or, if they take a restrictive turn, our interests could be prejudiced. Our efforts are being directed to ensuring, so far as possible, that outward looking policies will be pursued which will allow us to continue the mutually advantageous trade relationships which have been developed up to this time. The house may be assured that the government is fully aware of the need to keep our trade policy under continuous review in the changing circumstances of today and that our approach to the challenges and new problems of the sixties will be flexible and constructive, bearing in mind our vital trade interests and the need for balance and mutual advantage in the relations with our many trading partners throughout the world.

The Acting Chairman (Mr. Jones): Order I must interrupt the minister to advise him that his time has expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. Jones): It is agreed that the minister carry on?

Some hon. Members: Agreed.

Mr. Churchill: Thank you very much. I propose now to deal with a review of Canada's trade and the outlook for the next few months. During the past year economic activity in Canada has moved upward in line with expansionary conditions in the world at large. Canada's gross national product is running appreciably above the level of a year ago. Most of this increase reflects a higher volume of physical production; prices have remained fairly stable.

Industrial production is up by 5 per cent in the first five months of this year compared with last. Industries which have contributed to this increase include pulp and paper, base metals, particularly aluminum, nickel and copper, petroleum and natural gas, electric power, asbestos, primary iron and steel, food and beverages, chemicals and a number of the major equipment industries. Despite a further rise in imports of European cars, Canada's output of motor vehicles so far this year has remained a little above the 1959 level.

The over-all growth in business activity has been accompanied by a continuing increase in both wages and profits and in personal incomes generally. More production has in turn created more jobs. Total employment in June and in the first six months of the current year was approximately 2 per cent above the corresponding period of 1959.

Consumer purchasing, though up moderately from a year ago, has not fully kept pace with personal incomes. For several lines of merchandise the disappointing volume of spring sales was attributed, in trade circles, to unfavourable weather. In any event the continuing firm trend of personal income provides underlying strength to the consumer market and indicates that weakness in this sector is apt to be shortlived.

The early year decline in housing starts was the result, in large part, of a general stringency of mortgage funds. However, the level of housing starts was already moving upward by mid-year and this trend will now be reinforced by the broadening of the terms applicable to mortgage loans under the National Housing Act.

In the circumstances described, neither consumer buying nor housing are apt to be a source of further weakening in total demand. On the contrary, both of these market sectors are likely to provide new demand stimulus as the year draws on.

Further encouraging information on economic prospects for the balance of the year has come from the mid-year survey of investment intentions for 1960, the results of which were recently made available in the report, "Private and public investment in Canada, outlook 1960—mid-year review". The survey indicates that total capital outlays, both private and public, will amount to $8.7 billion in 1960. This figure is little changed from the estimate made early in the year and involves an increase of 4 per cent over actual outlays of $8.4 billion in 1959. The $8.7 billion figure includes a downward revision in the earlier estimate of housing outlays to take account of the relatively low volume of starts in the first half of the year. On the other hand, the mid-year survey indicated an upward revision in the capital spending plans of the business community compared with intentions reported at the beginning of the year. As a result business capital outlays are now expected to be 8 per cent higher in 1960 than in the preceding year. The realization of this program will involve a further increase in activity in construction and related trades and in equipment producing industries in the latter part of the current year.

Apart from its immediate stimulative effects, the continuing high level of plant expansion under way in Canada is a reflection of the confidence with which Canadian business looks to the future. These indications of sustained strength within the domestic economy are reinforced by the continuation of a generally favourable international economic climate. Trade figures for 1960 to date reflect Canada's strong position in foreign markets.

In 1959 the value of Canada's merchandise exports surpassed the $5 billion mark for the first time. In 1960 to date exports are 8 per cent higher than in the same period last year and are running at an annual rate in the neighbourhood of $5.5 billion. This upward movement in exports is taking place in all principal market areas and is widely distributed through most of the major commodity groups.

The expansion in economic activity in the United States over the past year has been accompanied by a further rise in purchases from Canada. Although the business tempo in the United States has moderated somewhat in recent months, there is widespread expectation that the present high level of general activity will be maintained in the period ahead. On this basis Canadian sales to the United States for 1960 as a whole should remain above the previous year's level.

Meanwhile shipments to overseas markets have responded vigorously to the rising level of business activity in most of these countries. In 1960 to date exports to the United Kingdom are up by 20 per cent, to other commonwealth markets by 16 per cent, and to all other countries by 17 per cent.

A major portion of this growth in exports has consisted of industrial materials. Items such as newsprint, wood pulp, aluminum, nickel, copper and industrial chemicals have been purchased in greater quantities in response to higher business activity in virtually all industrial countries. Despite a reduced volume of housebuilding in the United States, lumber sales in that market have been maintained so far this year and are moving in larger quantities to the United Kingdom and other overseas markets. With Canadian oil now able to move across the border free of restrictions, the export of this commodity, though still below the previous record, is running well above last year's level. A large amount of iron ore is anticipated for the current season. The trend evident in these major items is broadly indicative of the export position of the mineral and forest products groups which together account for nearly two thirds of Canada's exports.

A notable feature of Canada's export position is the expansion under way in sales of manufactured products. Despite a decline in exports of farm implements to the United States, sales abroad of all highly manufactured products taken as a whole have increased by 10 to 15 per cent in 1960 to date. At the same time sales of agricultural products considered as a group have held close to the high level achieved last year.

Just as exports have been expanding to meet the growth in foreign countries, Canadian purchases from abroad have been increasing in response to rising demands in Canada. However, imports have been increasing at a slower rate than exports and in the first five months of the year are up by 4 per cent from the same period of 1959. Shipments from Canadian factories have shown a comparable increase indicating that Canadian manufactured products have been holding their own in the domestic market in over-all terms. Nevertheless, in some lines, producers have encountered severe pressure from import competition. Meanwhile the decline in the external value of the Canadian dollar occurring earlier this year has improved the competitive position of the domestic producers in both home and foreign markets.

The much sharper rise in exports than in imports so far this year has reduced Canada's merchandise trade deficit from $356 million in the January to May, 1959 period to $177 million in the same months of the current year. Indications are that this reduction in the merchandise trade deficit has more than offset the continuing increase in the invisible deficit. This means that the total current deficit on international account is presently well below the level of a year ago, $318 million in the first quarter of 1960 compared with $415 million in the same period of last year.

A prominent development this year has been the sharp growth in Canada's overseas trade. Exports to and imports from the United Kingdom and the commonwealth as a whole have increased substantially. Exports to other overseas countries taken together have increased markedly whereas imports from this area are a little lower. Canada's trade balance with these countries is therefore increasing, reversing the trend of the previous year.

The substantial growth this year in overseas sales has meant that Canada's exports in the United States, though higher in absolute terms, make up a smaller share of Canada's total exports. Meanwhile the relative importance of the United States as a source of imports has been diminishing for some time. Purchases from the United States are now appreciably lower, in absolute terms, than in 1957 and as a proportion of total imports have declined from 74 per cent in early 1957 to 67 per cent so far in the current year. During this same period Canada's merchandise trade deficit with the United States has been reduced by nearly one half. Even with the growing imbalance on non-merchandise transactions, Canada's total deficit on current transactions with the United States is $132 million less in the first quarter of 1960 than in the same period three years ago.

In conclusion, Mr. Chairman, I should like to emphasize two points. First, Canada's economic conditions and trade relations are under constant and expert scrutiny. We are increasing the number of senior officers and consolidating the department into an even more efficient and streamlined operation. This will better enable us not only to meet the challenges of today but also to anticipate and minimize the problems of the future.

Second, I cannot stress too much the degree to which a wide range of Canadian products and technical competence are competitive abroad. I offer congratulations to those Canadian businessmen who have ventured so successfully into foreign markets. I hope that their successes will encourage more Canadian firms to look abroad for new sales opportunities. The department stands ready to do all it can to help them.

Mr. McIlraith: Mr. Chairman, I should like at the very outset of my remarks to associate myself with the minister in the acknowledgment of the fine public service of his former deputy, the late John English. The remarks that the minister made concerning that

splendid public servant were most appropriate, and I want to express my appreciation to the minister for having made them in his place as minister. The record of public servants like that is something that I think is not always sufficiently appreciated by the people of the country generally and knowing of the splendid work of this former civil servant I want to associate myself with all the words uttered by the minister about him.

Now as to the minister's glowing and enthusiastic picture of the trade situation in Canada, I am afraid I have to take sharp issue with him. I wish it were not so. I wish that the trade picture was as glowing as he indicated. My hope is that some of the hopes he has expressed for it throughout the rest of the year are realized. I do hope that is the case, as I think all hon. members do.

Surely the minister, in presenting a review to the House of Commons of the trade picture of this country, even if it is late at night on the 142nd day of the sitting that this is being done, should not compare the figures on foreign trade representatives in 1960 with those in 1939, because he ought to remember that the country in 1960 about which we are talking has a population of about 18 million persons, and the country of 1939 had a population of about 11 million persons. To compare representation abroad in two such years does not give a very accurate picture.

Mr. Winch: How about calling it eleven o'clock?

Mr. Chevrier: We would be willing to carry on.

Some hon. Members: Eleven o'clock.

The Chairman: Some hon. members have called it eleven o'clock. Shall I rise, report certain resolutions and ask leave to sit again?

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

COMMITTEES OF THE HOUSE

Mr. R. J. McCleave (Halifax): I wonder if the house would give me leave to revert to presenting reports by standing and special committees?

Hon. Lionel Chevrier (Laurier): No, Mr. Speaker, we do not give consent.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I ask the house leader what the business is for tomorrow?

Mr. Churchill: Tomorrow, Mr. Speaker, we will continue with the estimates of the Department of Trade and Commerce. Then we have left in the way of estimates those of the Department of Finance and of the Privy Council, with a few supplementary estimates. The only other business facing the house then is the report of the committee on procedure and the appropriation bill after we have passed all the supply estimates.

There is also that small item, of course, in the report of the civil service commission affecting the House of Commons staff. The house, in its careful examination of the estimates, may want to proceed over to next week, but we will just have to work from day to day as we forecast the business.

However, at this stage, Mr. Speaker, I should like to ask if the house would consent to a change of hours on Monday. In view of the fact that members of the house will be attending the funeral of the Right Hon. Arthur Meighen, and as that funeral takes place at about eleven o'clock, I think, it will be very difficult for the house to assemble at that time. If the house would indicate at this time that it would be willing, if the house has to come back next week, to reassemble at 3 p.m. on Monday, I think everybody would have sufficient notice.

Mr. Chevrier: Mr. Speaker, if it is necessary to come back on Monday, we think the suggestion is a reasonable one and we would consent to it. I would like to inquire of the minister what the few supplementary estimates are.

Mr. Churchill: The supplementary estimates are already listed on the sheet of paper which is available.

Mr. Deputy Speaker: Is it with the unanimous consent of the house that on Monday the house will convene at three o'clock in the afternoon?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

It being five minutes past eleven o'clock the house adjourned, without question put, pursuant to special order.

Supply—Items Passed

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

DEPARTMENT OF NATIONAL DEFENCE

217. Departmental administration, $3,212,477.

Inspection services—

218. Operation and maintenance, $6,523,300.
219. Construction or acquisition of buildings, works, land and equipment, $431,100.

Royal Canadian Navy—

220. Operation and maintenance, $197,041,557.
221. Construction or acquisition of buildings, works, land and major equipment, $74,259,000.

Canadian army—

222. Operation and maintenance, $350,887,000.
223. Construction or acquisition of buildings, works, land and major equipment, $70,410,000.

Royal Canadian Air Force—

224. Operation and maintenance, $536,737,000.
225. Construction or acquisition of buildings, works, land and major equipment, $228,192,000.

Defence research and development—

Defence research board—

226. Operation and maintenance, $23,952,119.
227. Construction or acquisition of buildings, works, land and equipment, $6,528,245.
228. Development, $14,216,000.

Mutual aid—

229. Contributions to infrastructure and military costs of the North Atlantic treaty organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of The Defence Appropriation Act, 1950, not exceeding a total of $54,800,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of $40,000,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $14,800,000.

National defence general—

230. To authorize, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, total commitments of $2,950,656,748 for the purposes of the foregoing votes relating to national defence, regardless of the year in which such commitments will come in course of payment (of which it is estimated that $1,420,466,950 will come due for payment in future years), $1.

General services—

231. Grants to military associations, institutes and others as detailed in the estimates, $223,795.
232. Grants to the town of Oromocto, subject to the approval of treasury board, for municipal services including the maintenance and operation of schools and to promote the development of the town, $1,600,000.
233. Grants to provinces and municipalities for civil defence and related purposes (formerly provided under Department of National Health and Welfare—comparable amount in 1959-60, $2,000,000), $4,000,000.
234. Grants to assist in the construction of the soldiers' memorial hospital at Middleton, N.S., in a total amount of $135,588 subject to such terms and conditions as are approved by treasury board; amount required for 1960-61, $65,000.

Pensions and other benefits—

235. Civil pensions, as detailed in the estimates, $2,457.
236. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British commonwealth air training plan who were killed, payment to their dependents of amounts equal to the amounts such dependents would have received under the Pension Act, as amended, had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organizations, $3,840.

Defence Services Pension Act—

237. Government's contribution to the permanent services pension account, $53,279,356.

HOUSE OF COMMONS

Saturday, August 6, 1960

The house met at 11 a.m.

MISCELLANEOUS PRIVATE BILLS

Twenty-third report of standing committee on miscellaneous private bills—Mr. McCleave.

UNITED NATIONS

CONGO—ORDER IN COUNCIL MAINTAINING TROOPS ON ACTIVE SERVICE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to table a copy of order in council giving authority for the maintenance on active service of officers and men of the Royal Canadian Navy, the Canadian Army and the Royal Canadian Air Force, not exceeding 500 in number at any one time, as part of or in immediate support of the United Nations forces in the Congo.

EXTERNAL AFFAIRS

UNITED KINGDOM—ANNOUNCEMENT OF ESTABLISHMENT OF WHEAT FLOUR STOCKPILE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, by leave of the house I should like to make an announcement with regard to the government program for assisting NATO countries to set up strategic stockpiles of wheat flour. Hon. members will recall that on June 1 of last year I informed the house of the government's intention to ask parliament for $10 million for that purpose. I stated at that time that I had made this proposal, in general terms, at the meeting of the heads of the governments of NATO countries in Paris in December, 1957, whereby I suggested the establishment of a food bank amongst the NATO countries for use in the event of any outbreak of hostilities. I expressed at that time the willingness of the Canadian government to play its part in the establishment of such food reserves, and these facts were communicated to the house on July 19, 1958.

Negotiations with the NATO allies took longer than was expected. It was not until April of this year that the first agreement under the program was completed, and on April 26 the Secretary of State for External Affairs informed the house of the conclusion on the preceding day of an agreement with Norway under which Canada would provide 20,000 tons of wheat flour for wartime emergency stockpiling purposes in that country. I am now able to announce the conclusion on August 5 of an agreement with the United Kingdom under which Canada will provide 30,000 tons of wheat flour later this year for wartime emergency stockpiling in the United Kingdom. Provision has already been made by the house in the supplementary estimates of the Department of External Affairs for the expenditures required under this agreement and the agreement with Norway.

The agreement with the United Kingdom took the form of an exchange of notes between the Secretary of State for External Affairs and the high commissioner for the United Kingdom. These notes set out the terms and conditions under which the flour will be provided by Canada and stored by the United Kingdom. With your leave, sir, I now wish to table copies of the notes, both in English and in French.

The agreement provides that 30,000 tons of flour, suitably packaged for long storage, will be delivered to Canadian seaports to be specified by the government. The United Kingdom will inspect and assume title to the flour at these ports, with all expenses thereafter being borne by the United Kingdom government. They will transport the flour to the United Kingdom, where it will be stored for emergency use should war occur. When it is no longer fit for human consumption it will be replaced by the United Kingdom, so as to maintain the original level of the stockpile at the initial amount.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think it is unfortunate that the NATO organization itself was not able to make arrangements for the establishment on a broad and collective basis of a NATO food bank, an idea which was put forward by the Canadian member of the council I think two and a half years ago.

In view of the impossibility at this time of doing that, I think bilateral arrangements between Canada and NATO members are useful and, as the Prime Minister has pointed out, one such arrangement has been made with Norway. That has been supported in this house, and we also heartily support that which has been proposed with the United Kingdom as a form of mutual economic aid—perhaps in this case modest aid—which is appropriate for Canada and helpful to the countries receiving the assistance.

Inquiries of the Ministry

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, we in the C.C.F. welcome most warmly the announcement that has just been made by the Prime Minister. Our party has long proposed and supported the principle of a world food bank to be available in case of any emergency throughout the world.

We are most happy that an arrangement has now been made, not only for the establishment of the principle of the world food bank but to provide for its utilization and replacement if it is not called upon. We most certainly hope there will be continued success in the extension of the principle of a world food bank to aid in case of emergency in countries in desperate need.

THE LATE RIGHT HON. ARTHUR MEIGHEN

ANNOUNCEMENT OF STATE FUNERAL

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I rise on another matter, simply to announce that on Monday morning at eleven o'clock in the forenoon there will be a state funeral for the late Right Hon. Arthur Meighen at St. Andrew's United Church in the city of Toronto.

EXTERNAL AFFAIRS

NEWFOUNDLAND—DISPOSITION OF ABANDONED U.S. BASES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a question of which I have given notice, and I apologize for the length of it. My question is this. In view of the fact that under the terms of the agreement between the government of Newfoundland and the United States government it is provided that upon termination of the said leases or their abandonment all of the lands granted thereby shall revert to and become the absolute property of the crown in right of the government of Newfoundland, would the Prime Minister table any and all correspondence between the Canadian government and the United States government relative to the proposed abandonment by the United States of lands housing Fort Pepperrell air force base and the United States docks at St. John's, and advise the house whether the government has taken or proposes taking any steps to discuss with the government of Newfoundland the future disposition of these bases in view of their proposed abandonment by the United States government to the government of Newfoundland?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the Leader of the Opposition has stated, he has produced a very lengthy question. I have not yet had an opportunity of examining the file. Any correspondence that may have taken place would, of course, require the consent of the other parties to this correspondence before production.

My information is that there has been no notification to the Canadian government by the United States of the intention of the United States government to vacate the area in question or, indeed, any other area. There has of course been reference in the press to the situation at Fort Pepperrell but there has been no official correspondence in connection therewith, or indeed with the United States government, on any matter arising out of the projected course.

In so far as the lease is concerned, it is a fact that in March the United States embassy informed officers of the Department of External Affairs that the United States government was contemplating the abandonment of the lease covering the Pepperrell air force base. I would point out that the lease agreement provides in article XXI as follows:

> The United States may at any time abandon the leased area or part thereof, without thereby incurring any obligation, but shall give to the government of the United Kingdom as long notice as possible and in any case not less than one year of its intention to do so. At the expiration of such notice, the area abandoned shall revert to the lessor. Abandonment shall not be deemed to have occurred in the absence of such notice.

That is the end of the article in question, and as the hon. member knows, in 1953, probably at his request, the question of the reversionary right was referred to the Department of Justice.

In so far as the latter part of the question is concerned, as to whether the government has taken or proposes taking steps, to discuss with the government of Newfoundland the future disposition of these bases, may I say that according to the information that is given me there has been no correspondence between the two governments. There was a reference to this question at the dominion-provincial conference, when the attorney general of Newfoundland pointed out that there were some differences which had arisen. However, the Minister of Finance points out that this was in the private session. None the less the matter was brought to our attention on that occasion, and I am sure I breach no confidentiality of that private session by revealing that fact.

Naturally, when official notice has been received of the amendment within the provisions of the article I have quoted, in due course there will require to be the fullest consultation between the government of Newfoundland and the government of Canada.

Mr. Pearson: Mr. Speaker, a supplementary question. In thanking the Prime Minister for his reply, may I call his attention to the fact that there is urgency in this question because I am informed that some of these areas have become a serious fire hazard due to a sharp reduction in the number of security personnel and the maintenance grant for fire protection.

Mr. J. A. McGrath (St. John's East): May I ask a supplementary question of the Minister of National Defence. Could the minister inform the house whether his department has taken any steps with regard to the feasibility or practicability of the armed forces of Canada using some of the facilities vacated by the United States forces at Pepperrell?

Hon. G. R. Pearkes (Minister of National Defence): Mr. Speaker, when the Pepperrell air base is brought to care and maintenance standards by the United States air force some of the buildings will be vacated. My department has been carrying out a survey to see whether we can use any of those buildings which will be vacated.

ATOMIC ENERGY

INQUIRY AS TO DISPOSAL OF U.S. ATOMIC WASTES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct to the Minister of Trade and Commerce what might be considered a somewhat delayed supplementary question. On July 29 the hon. member for Assiniboia asked the minister certain questions with respect to the disposal of United States atomic wastes in Canada's Pacific offshore waters, and the minister answered to the effect that the matter would be pursued. He asked for the source of the information and the hon. member for Assiniboia said he would be glad to supply the minister with those particulars.

Has the minister any further information to give the house with respect to this question asked by my hon. friend from Assiniboia on July 29?

Hon. Gordon Churchill (Minister of Trade and Commerce): My recollection is that I did give an answer to the question subsequently. The date escapes me at the moment, but I furnished the hon. member with full details about that project at Nanaimo. I will look up the record and inform the hon. member accordingly.

[*Later:*]

Mr. Churchill: Mr. Speaker, may I complete the answer to the question asked by the hon. member for Kootenay West and direct his attention to *Hansard* for August 1, page 7326, where an answer was given with regard to the disposal of atomic waste and the problem that has arisen at Nanaimo.

Mr. Herridge: Thank you.

FISHERIES

MARITIME COAST—REQUEST FOR CONSIDERATION OF TERRITORIAL LIMITS

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): I should like to direct the following question to the Minister of Fisheries. In view of the failure to reach international agreement regarding the breadth of the territorial sea and fishing zone, is the government giving any consideration to remedying the situation whereby Canadian trawlers are not permitted to fish up to the limits of the territorial sea in the maritime provinces in areas where foreign fishing fleets are operating?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Queens-Lunenburg for having given notice of his intention to ask his question. Canadian trawlers are under a disadvantage as compared with foreign trawlers because of a law which has been on our statute books for many years, which prohibits absolutely the larger Canadian trawlers from fishing within 12 miles of the coast of the maritime provinces whereas foreign trawlers do operate on occasion up to the limits of our territorial sea.

In the light of increasing foreign operations in recent years, the problem has been accentuated. The government is concerned about this matter and is studying possible means of remedying this anomalous situation.

[*Later:*]

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Fisheries. Would the minister please advise the house whether the same explanation given to the hon. member for Queens-Lunenburg applies to foreign ships seal hunting off the east coast of Canada?

Mr. MacLean (Queens): Mr. Speaker, all foreign vessels are required to remain outside of Canadian territorial waters when carrying out fishing or sealing operations. With respect to Canadian ships, there are no restrictions on them as far as sealing is concerned in the area from three to twelve miles off the coast.

Mr. Tucker: I should like to direct a supplementary question to the Minister of Fisheries. Would the minister please advise whether the 12-mile limit applies to Canadian trawlers operating off Newfoundland?

Inquiries of the Ministry

Mr. MacLean (Queens): No, Mr. Speaker. In the case of Newfoundland, Canadian trawlers are allowed to operate within three miles of the coast.

UNITED NATIONS

CONGO—INQUIRY AS TO APPLICATION OF ORDER IN COUNCIL RESPECTING TROOPS

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to address a question to the Prime Minister based upon the order in council which he tabled today. Am I correct in saying that the order in council deals only with the dispatch outside Canada of forces to the limited extent announced by the Prime Minister the other day? Am I correct in presuming that any decision by the government to send additional troops would be followed, after consideration by the government of its policy, by consideration of that policy by parliament?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman knows, the order in council covering the Congo force expressly restricts the number at any one time to 500 personnel. In the event that there should be at any time an extension and it should be considered desirable to go beyond that number, I think the house would agree that the proper constitutional course to follow would be to place the matter before parliament for further consideration after the government had made a decision in this regard.

AGRICULTURE

REQUEST FOR POLICY STATEMENT ON ASSISTANCE TO WESTERN FARMERS

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I wish to direct a question to the Prime Minister. Is there likely to be any announcement before the end of this session regarding this government's policy to deal with the economic situation as it affects the western grain producers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, even now there are few who would foretell the day when this session will end. It is all to the good that the items that have been before the house in the last few days have received and the further estimates that will come before the house will receive the fullest and most complete attention so that no one can say this house in a pell-mell fashion failed to deal adequately with the various problems that still remain before it and the estimates requiring consideration.

The government has been giving the position of the western wheat farmer very full and complete consideration. I think it was on March 4 that I endeavoured to continue to speak beyond the hour at five o'clock in the afternoon, but it was impossible to secure the consent of the house at that time to continue with my remarks dealing with the agricultural situation.

Next week the decision of the government in this regard will be brought to the attention of the house.

CANADIAN NATIONAL STEAMSHIPS

CANADIAN POSITION RESPECTING LEGAL ACTION AGAINST CUBAN GOVERNMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport and ask him if he could tell the house what is the position of the Canadian government with respect to the action that has been taken in the admiralty court in Halifax against the government of Cuba relative to the seven ships of the Canadian National West Indies fleet, in which the minister through his department was at one time interested?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, my understanding of the situation is that the Canadian government does not come into the matter at all. The Canadian National disposed of the ships to the company mentioned in the article which appeared in this morning's paper, and the dispute now, as I understand it, is solely between that company and the government of Cuba.

SHIPPING

CANADA-WEST INDIES—INQUIRY AS TO PROVISION OF SHIPS

On the orders of day:

Hon. Lionel Chevrier (Laurier): May I put a supplementary question to the minister, and ask what consideration the government is giving to trade communications between the maritime ports and the new West Indies federation?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, as this is a matter of trade I suggest that this question could more properly be directed to the Minister of Trade and Commerce.

Mr. Chevrier: But the minister has already answered a question of mine dealing with ships between the maritime ports and the West Indies federation, and that is why I directed my question to him.

Mr. Hees: If it is a question of ships carrying trade between Canada and the West Indies I can tell the hon. member that there are a great many ships that can undertake the carrying of such trade.

Mr. Chevrier: That was not my question, Mr. Speaker. My question was related to the substitution for the seven or eight ships of the Canadian National Steamship Company formerly operating between the maritime ports in Canada and the West Indies federation. My question was what substitute service between these ports is being provided by the Canadian government?

Mr. Hees: Mr. Speaker, the Canadian government has no responsibility to provide ships for that particular purpose. The trade between Canada and the West Indies federation is being adequately carried by ships of which there are a very substantial number available.

NATIONAL DEFENCE

REQUEST FOR REPORTS ON INVESTIGATIONS INTO ALLEGED IRREGULARITIES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in view of the statement just made by the Prime Minister to the effect that we may be here for a short time next week, may I direct a question to the Minister of National Defence. Is it the minister's intention to report on the results of the investigations carried on over several months into alleged irregularities in the interservice equivalents board and also with respect to the theft of aviation gasoline at Vancouver?

Hon. G. R. Pearkes (Minister of National Defence): Both those investigations have been proceedings, Mr. Speaker, and the final reports have not yet been submitted.

COMBINES INVESTIGATION ACT

FORT WILLIAM—REQUEST FOR INQUIRY INTO SALE OF LOCAL NEWSPAPER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Justice. It stems from disturbing reports that have come to the hon. member for Fort William and myself that the independently and locally owned daily newspaper, the Fort William *Times-Journal,* is in the process of sale to the Roy Thomson chain. In view of the fact that the merger of the Fort William paper with the Port Arthur Thomson-owned daily would deprive our region of competing press media in a market apparently able to support two distinct and separate papers, would the minister consider an immediate investigation by the combines branch officials to see whether provisions of the Combines Investigation Act are invokable to prevent such a monopoly?

Hon. E. D. Fulton (Minister of Justice): I will be glad to bring the matter, together with the remarks of the hon. member, to the attention of the director at once for his immediate consideration.

TELEVISION

BRITISH COLUMBIA—REPORTED RECEPTION INTERFERENCE BY VICTORIA STATION

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. In view of the importance of the matter to the lower mainland of British Columbia, which has a population of about a million people, can the minister advise whether he anticipates being able to make an early report as a result of the investigation into the complaints about certain television channels being blanked out by the Victoria station?

Hon. George C. Nowlan (Minister of National Revenue): I do not know whether I can make an early report. The matter is in the hands of the engineers, and they are working on it.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR REPORT OF COMMITTEE ON REVISED SYSTEM OF MEASUREMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour whether he has yet received the report of the interdepartmental committee examining procedures for estimating unemployment?

Hon. Michael Starr (Minister of Labour): The report is now in the hands of the government and is under study.

Hon. Paul Martin (Essex East): Will the report of the interdepartmental committee be placed before parliament, so that parliament may have an opportunity of assessing the validity of the report, particularly in view of the fact that we will soon be proroguing and that unemployment may continue in the period between the prorogation of parliament and the calling of the next session?

Mr. Starr: As soon as consideration is given by the government and a decision is arrived at, the report will be tabled.

Supply—Trade and Commerce

ARTS, LETTERS AND SCIENCES

CONGO—SUGGESTED RECRUITING OF UNIVERSITY STAFF IN CANADA

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, on August 2 the hon. member for Port Arthur asked me a question concerning Dr. Luc Gillon, president of University Lovanium, Leopoldville, Congo. The question was whether or not he would be invited to Canada to recruit French speaking university staff through our Quebec universities.

Monseigneur Gillon came to Canada on August 3 and held talks with the rector of the University of Montreal, the vice-rector of the University of Ottawa and senior officials of the Department of External Affairs. He had left the Congo only a few days before, and he gave us a very useful report on the conditions at his university and his needs for staff.

Monseigneur Gillon has in mind an interesting scheme for an exchange of French speaking professors between Canadian universities and his own university in Leopoldville. Under this scheme professors from Canada might serve at Lovanium University and professors who formerly were on its staff there would serve in Canadian universities. I understand that the rector discussed his needs fully with the two universities I have mentioned, and I am informed that these are now under consideration.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

390. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $2,630,716.

Mr. McIlraith: Mr. Chairman, when the committee rose last evening I had started my remarks on this item and had referred to what I thought was an unduly rosy picture of the economy of Canada placed on the record by the Minister of Trade and Commerce. I had pointed out that as an example of the active growth of Canada's efforts in the trade promotion field he had drawn a comparison as to the number of trade commissioners or posts abroad between the years 1939 and 1960 as if that were a real achievement when, if you bear in mind the growth of the population of our country in that interval, the facts indicate nothing of the sort. While the trade commissioner service is a splendid one of which all members of the committee are proud, the picture drawn by the minister was quite imprecise and not in accordance with the facts. The facts are that there has been a very slight growth since 1952, a growth that was no more than inevitable having in mind the growth of our country and the new countries that have gained their independence and come into being in the world.

The minister seemed to have as the theme of his whole speech the idea that Canadian economic prospects for the balance of the year were very good. I want to refer to a few of the statements he made to see if I cannot put the matter into proper perspective. I express the hope that the rosy prospects for the economy for the balance of the year which he indicated will be realized. No one will be happier than I if they are, but at the same time I do not think it is either useful or proper to base a discussion of trade at this time on assessments that are not factual.

For instance, I might refer to the minister's statement that Canada's gross national product is running appreciably above the level of a year ago. If we are to discuss the matter intelligibly the fact that must concern the committee is that the gross national product is running about one third below the increase estimated by the Minister of Finance when he presented the budget to the house over three months ago. That is the situation today. It may be that the Minister of Finance overestimated the increase in the gross national product this year. It may be that he was justified in indicating the increase he did at the time he did, but whatever the reason for the disparity in the figures the fact remains that it appears now that we are not going to achieve the increase indicated by the Minister of Finance at that time.

This fact is just glossed over. It is one that must cause concern to all of us, because the whole budgetary pattern put forward by the Minister of Finance, and presumably the policies of the government, were based on that estimate. The Minister of Trade and Commerce does not deal with that fact at all. He just glosses over the subject with the brief sentence that the gross national product is running appreciably above the level of a year ago. I suppose the words, if one wants to quibble about it, are true, but they give a misleading picture.

Then we come to this matter of employment. The minister said that this year employment was running some 2 per cent above the corresponding period last year. I suppose if you want to quibble about it, those words may be right enough. I did not look up the statistics, but I suspect they are. Again, it does not deal with the problem that most

concerns this committee, and which was debated rather extensively on the labour estimates; I do not wish to reopen that debate at all, but the facts are very simple. The facts are set out in the minister's own publication dated August 2, the *Canadian Statistical Review*, where it points out that the index of persons without jobs and seeking work fell from 222 in May to 221 in June. Then in the same publication, where it gives the percentage seeking work, it shows for June 6.3 per cent. In a joint publication put out by the minister and the Department of Labour, dated July 19, dealing with the employment situation in June, 1960, the point is made that the June estimate of persons without jobs and seeking work represented 4.6 of the labour force compared with 3.7 per cent in June, 1959.

In other words, there is a labour situation here that causes great concern to all members of the committee, and I am sure that to take an isolated statistic out of the record to show that there are more people working than there were a year ago, without taking any account of the increase in population in the country or any account of the increased labour force, is not the proper way to put this matter forward.

We could go on with the other items in the minister's speech. He continued his attempt to paint this rosy picture by dealing with Canada's output of motor vehicles. He said that Canada's output of motor vehicles so far this year has remained a little above the 1959 level. While that is technically quite true, actually his own publication which we received this morning shows that the increase amounts to some 1,400 vehicles out of a total of some 278,000. You will see that you will have to be really very good at decimals or fractions to work out what a small fraction or percentage it is. There is a very real problem in the motor car industry that is of concern to persons in that business in this country. One of the things that is affecting this industry—of course there are many and this is only one—is the fact that there is a wider variety of models than there were some years ago. A consequence of this is that there is a larger percentage of the component parts of these cars brought into this country than has formerly been the case, and that means that there is more unemployment in that industry than is usual, quite a bit more.

In so far as the motor parts industry is concerned, there is considerably more unemployment in that industry. Actually, employment in the motor parts industry is down to about two thirds of what it was three or four years ago. This industry has been making strong representations and presenting briefs to the government. I do not agree with some of the solutions offered in the briefs, but in any event no one can read those briefs without being impressed with the seriousness of the situation to the economy of Canada.

The government itself, I think, has been much impressed, if I correctly understood the remarks of the Prime Minister the other day when he announced the appointment of a royal commission to look into that situation. It is significant that once again, with this situation developing rather sharply over the last two years and having reached the acute stage now, the government is offering us a royal commission instead of evolving some policies that would help to meet these problems. While I look forward with interest to the findings of that royal commission, I want to point out to the government once again that they have done exactly the same thing here that they did to the oil and gas industry of this country by procrastination and delay in evolving a policy, and then when the situation became serious appointing a royal commission which will result in more delay. I must say that the appointment of a royal commission is no substitute for the action that the government should have taken by way of enunciating policies over the last two years.

I could go on, for instance, and deal with the minister's statements on the balance of payments. Now, the balance of payments situation in Canada has been of great seriousness. Our unfavourable balance in international payments is very serious for Canada. This subject was debated as the result of an amendment offered on a supply motion by the Leader of the Opposition during this session, and an effort was made by the Opposition to point out the seriousness of the situation. The minister, in dealing with the subject, brought forward no policies to meet it but just brushed it off in this way at page 7672 of *Hansard*, where he was dealing with the United States:

> Even with the growing imbalance on non-merchandise transactions, Canada's total deficit on current transactions with the United States is $132 million less in the first quarter of 1960 than in the same period three years ago.

This could be true enough. However, he did not point out the real position that we have; a very serious situation developing. In that part of the subject which has to do with bond interest and dividends there has been a sharp increase in the percentage of this imbalance which results from our abnormally heavy payments to foreign holders of bonds and other indebtedness. That perhaps is something that more properly belongs to the Minister of Finance, but there is also another part of it where our situation is worse. There

is that part of it that has to do with the question of freight and shipping charges, where our balance is worsening, and worsening materially.

He does not point out, for instance, the comparative figures when dealing with merchandise exports. He chooses only to deal with merchandise exports, which are only one part of the problem, and merchandise exports to the United States I suppose last year accounted for roughly one quarter of the problem, or one third of the problem. For instance, in his own department's publication, the dominion bureau of statistics report on the estimates of Canadian balance of international payments what was said on this subject was this:

> The reduction in the import balance from merchandise trade in the first quarter of 1960 compared with the same period of 1959 was due to a greater rise in exports from the relatively low level in the first quarter of 1959 than occurred in imports.

In other words, in making comparisons we have to bear in mind the nature of the elements that go into the figures making up our exports and imports. He does not point out that we have a situation where, with regard to the imports coming in from the United States, an ever increasing percentage is consumer goods as opposed to capital goods. Those are the kind of problems that are arising.

Actually, on merchandise trade our exports to the United States are up this year, but our imports are also up quite sharply. If you take the six months for which the figures are available—and I recognize and think it is quite improper to pick out very short periods in any of these trade figures; I do not want my remarks interpreted as doing that, because I do not think that is a proper and responsible way of treating trade figures—the facts are that in the first six months of this year, compared with the first six months of last year, there is a sharp increase in the first two months particularly, and in the first quarter. But in the second quarter of this year, in April and June there is a reduction from last year, and a very slight increase in May. Our exports to the United States for the second quarter of this year are down $82.9 million from the same period last year.

As I say, in my opinion three months is too short a period on which to base an argument. All I want to draw from that figure is that there may be a downward trend in our exports to the United States. It is something that will have to be watched very carefully, and it is something that should cause concern to the minister and the members of the committee. It is a very real problem.

[Mr. McIlraith.]

While, as I say, I do not want any final conclusion drawn from quarterly figures on export trade, because I do not think it is a long enough term, yet the facts are there. We are discussing these estimates on August 6; we had better have an awareness of the facts as they exist on August 6, and not pick out figures for any past years and use them, when more recent figures are available.

There is one other thing that I want to say about this subject of the unfavourable balance of international payments, and it leads me into another point that I want to develop. The whole picture created by the minister's speech was of a lovely situation for the economy of Canada, and that is not quite the atmosphere in which we should be discussing our trade today. The facts just do not support that picture. Let me illustrate that, for instance, with one example of balance of international payments. The United States has an unfavourable balance of international payments approximately three times as great as ours, but its gross national product is from 12 to 13 times greater. In the light of that fact, our minister does not treat this subject with the seriousness it deserves. He treats it with the lightness that I indicated. But the United States do not treat their problem in that way at all. Anyone following United States publications describing what they have been doing in this field would see evidence of the greatest concern over what they regard as a great problem for their country. We, with a very much more acute problem on the same subject, do not seem to have the same regard for the problem.

If hon. members will turn to the Bank of Canada annual report to the Minister of Finance for the year 1959, they will find on pages 12 and 13 a couple of paragraphs on this subject. After setting out the problem, which is very relevant and very pertinent, they go on to say this, and I will read only part of it. I have given hon. members the reference if they want to read the whole thing. After setting out the nature of the problem in the United States, they go on to say:

> United States policy has not sought to restrict the flow of imports for balance of payments reasons, nor to cut the total flow of foreign aid. Rather it has sought to increase exports—by improving competitiveness and strengthening sales efforts, and by pressing for the removal of foreign import restrictions—and to persuade other countries financially able to do so to look after a larger share of the increased foreign aid requirements of underdeveloped countries.

Every trade publication in the United States will give examples of the aggressive methods they are following to attempt to meet their problem in these ways, but we have no such evidence that our government has adopted a Canadian policy to meet a

much greater Canadian problem. That is my criticism. We have not developed the kind of policy we should to meet the more competitive export trade of the United States. We are going to have to compete with them. They are carrying out a more competitive export trade policy, for reasons they consider very valid, yet we are not taking cognizance of the fact that we are trading against our more competitive neighbours. It is something that should be considered, and I would like to know what the Canadian policy is on the subject.

Mr. Pallett: Mr. Chairman, I wonder if the hon. member would indicate to the committee what particular United States government action was taken, as opposed to that taken by private enterprise?

Mr. McIlraith: Yes, I can indicate some of those. I do not think I have it here but I had an article, concerning their participation in the British Columbia trade fair, and exactly what the government is doing about it.

You will find also, if you carry out a comparative analysis of their treatment of the GATT negotiations, that while we have a team headed by a very able man, we have not as a government backed that up with the kind of negotiations they have carried on with business and industry in their own country and the kind of arrangements they have made for their potential exporters to be at the negotiations, supporting their representatives. We have done none of those things. Their government have circulated a list of items on which they propose to negotiate.

I put a question in the house, as did my leader, in an effort to get that publication. It was supplied to the Canadian government, but it was not thought important enough to be made available to the House of Commons by the Canadian government. It could be bought at the United States publications office for 30 cents. The Canadian government did not think this important enough to circulate it among the members of parliament, and I venture the opinion that very few of them received it. The Canadian Manufacturers Association circulated it to their members in a confidential way, but the government did not do anything.

Mr. Churchill: It is not a confidential document; it is a public document.

Mr. McIlraith: Yes; it can be bought for 30 cents in the United States. As I say, the Canadian Manufacturers Association circulated it in a confidential way to its members, but the Canadian government either did not prepare any such corresponding list for our country, or if they did—and they have not told us whether they did or not—they did not make it available. Or if they did prepare one but decided not to make it available to the members of parliament before the team left for the discussions, they did not disclose any reasons for not making it available. It may be that there are reasons; I do not know.

These are some examples, and I could give a great many more. However, the subject is a large one and I do not want to go into it unduly.

Mr. Pallett: I gather the only functions the hon. member refers to are trade fairs and GATT negotiations?

Mr. McIlraith: No, they are just examples. There is a great mass of activities where their government and the whole department seem devoted to a solution of this problem and have taken it up as a great new problem. Hon. members will notice the references in their press to other aspects of foreign trade, and so on, trying to get other countries to assume their share of the cost of foreign aid. I leave that point there.

I now want to indicate some other matters which show the atmosphere we are in today. I am one who over the last few years has sought by means of private members' motions and other means to have this government become more aware of the situation in regard to our traditional trade relations with the West Indies. We have had a very long trade relationship with that country. We have a good trade commissioner service there, but we are losing our trade position in that market, and losing it quite rapidly in terms of our percentage of their total trade.

If the minister will look at the figures I think he will find that our share in that total market has slipped to something less than two thirds of what it was over the period of the last few years. That is a rapidly developing area. They are getting their independence, and there is one more step to that end being taken on August 16. I think all Canadian members of parliament welcome the achievement of their independence.

The Deputy Chairman: Order. I am sorry to advise the hon. member that his time has expired.

Mr. Churchill: Carry on.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. McIlraith: I thank the committee, and I will try not to abuse the courtesy extended to me.

In any event, in the publication *Monetary Times* for July of this year there is an extensive number of features on this subject of trade with the West Indies. In fact the minister has written an article in that magazine dealing with this subject. I am glad to see that he is an author now. There is also a very interesting message from the prime minister of the West Indies, Right Hon. Sir Grantley Adams, and I want to quote two paragraphs from the argument he makes in dealing with the status of imports to the West Indies:

> Although in actual monetary terms the value of Canadian goods imported into the West Indies has been rising in recent years, this rise has not been proportionately as large as the increase in total imports into the new federation, with the result that Canada's share of the total import trade has actually declined quite substantially.

I think that is an accurate statement on that subject. Then he goes on to talk about the products exported to here, and I want to quote another portion of his remarks. He says:

> In pre-war days considerable quantities of citrus fruits, bananas and tomatoes were shipped to Canada in the cold and capacious holds of the Canadian National Steamships and United Fruit Company vessels. Today this particular trade has virtually disappeared, and Canada/West Indies shipping suffers because cargoes are not available in sufficient quantity, a circumstance which in turn has been reflected in the quality of the shipping available.

Well, the Minister of Transport this morning in reply to a question on this subject asked on orders of the day said that our trade was being adequately looked after as far as shipping to the West Indies is concerned. The truth of the matter is that the government wrongly took the Canadian National Steamships out of this trade, and the Minister of Transport must bear the major responsibility for this. He also did it without regard to the significance in timing. They did not have regard to the fact that this federation is just entering into a dynamic period in its development, and that that historical trade of ours promised to develop. By taking off these ships the government is doing something to help us lose our share of that trade instead of helping to increase it. The government has not done anything to help us even hold our share or to provide any alternative shipping method. Indeed, recent figures on the whole question of freight earnings would show how wrong that policy was in addition to its adverse effect on our merchandise trade.

There are other articles which I could quote showing the dynamic development in that federation, particularly in Jamaica, and there is some very good legislation there dealing with the advancement of their export industries. It is not legislation which would be wholly suitable for this country, but it is legislation which ought to be looked at to see just what can be done by us in this field. Their problems are a little different from ours in some respects, but in any event it is very good legislation on this subject and is something the government would do well to look at. We have no corresponding legislation or policy on this question at all. The government does not advance anything; it just sits back with no policy.

Now I turn to other countries. In the recent period from 1956 to 1959—I think that is a fair period to take to illustrate my point, but if hon. members want to take other periods they will find figures which show us up in a worse light than these do—our share of total world trade, bearing in mind the growth of the country and the population increase, in percentage figures was some 5.6 per cent. In Germany, however, her share of the world market for the same period increased by 25.6 per cent, five times as much as ours. France increased her trade by some 14.5 per cent and Japan by some 26 per cent. This sharp increase in the share of world trade held by those countries surely indicates that we shall have to develop policies which will be flexible, energetic and appropriate to meet the problems of trade as they arise. The United Kingdom has been developing a very effective trade policy which has placed it in a highly competitive position.

These things are all to the good, but we have to be in a position to maintain our own share of world trade. There is, of course, a good deal of concern felt in Britain about the European common market and the European free trade association. Our own minister dealt with those matters in his remarks, but his treatment of the European common market area, the European economic community, was wholly descriptive. I think he described the situation reasonably well, and I have no quarrel with his description of the situation. It was very interesting, but the hon. gentleman did not enunciate any Canadian policies to meet this change.

We are in a situation where not only are countries in many parts of the world pursuing, as I have shown, active, efficient and energetic trade policies—and some of them are getting a much larger share than we are getting of the increasing world trade—but the European common market and the European free trade association may present us with some very real difficulties here in Canada.

I should like to hear from the minister exactly what Canada's policy is with regard to meeting these problems. The minister mentioned the agricultural policies evolving in Europe, but he did not elaborate. He might

have elaborated on that and given further information as to the effect the entry of the United Kingdom into the outer seven group and her possible relation with the common market area might have on our export of agricultural products to Europe, but the problem is just left in the air.

The hon. gentleman referred also to the announcement made the other day by the parliamentary secretary to the Minister of Finance on the subject of the change of O.E.E.C. to O.E.D.C.; the initials I find confusing at times—in any event the enlargement of that group of 18 countries by the inclusion of Canada and the United States. The announcement which was made in the house was of considerable interest, and I should like the minister to have gone further in stating the policy of the government with regard to that development. The announcement by the countries concerned does not seem to lay much stress on the development of trade relations. It may be too early yet to say what will happen, but the announcement as I read it suggests that the question of handling and co-ordinating economic aid to the underdeveloped countries and problems of that sort will be a major concern. I would hope that we as a country would seek to put forward, in addition, the question of the development of trade relationship in this area and that by now we would have worked out a policy in this respect.

I hope we will hear more from the minister before these estimates pass with regard to Canada's policy concerning the new organization for economic co-operation and development and the other European trading groups which are now emerging. I hope he will tell the committee how the government proposes to handle this matter, and make its views known to those bodies.

I could go on. The subject is a wide one. However, it is perhaps not wise to attempt to cover it all. I do appreciate the courtesy of having been permitted to extend my remarks a little. I wish to conclude by stating that I consider that this country has some quite serious economic problems confronting it at the present time both internally, as I think has been indicated many times this session, and externally, as I believe is clearly shown by the unfavourable balance of international payments as well as by the fact that we are having to export in a highly competitive market in addition to having to meet new types of organizations which are developing across the world. While the objectives of these organized trading blocs are wholly proper and desirable, their operation contains some dangers if not carried out in a reasonable way, and we in this country must be prepared to meet these dangers; we must be prepared to put forward our position.

Up to now this has not been done by the government, as I see it. The minister has not enunciated policy with sufficient detail or clarity. Indeed, I get the impression that the government has no policy with regard to the trade questions and related financial and fiscal matters. Either it has no policy or it has not sufficient appreciation of the seriousness of the difficulties, and I hope that before the end of this debate the minister will try to clear up some of these questions.

Mr. Fisher: Both the spokesman for the Liberal party, who has just resumed his seat, and the minister himself began their remarks with a reference to the fine service which had been accomplished by the late deputy minister, Mr. English. My personal knowledge of him was limited, though I recall that he had extremely pleasant manners. However, I have a general understanding that he was an exceptional civil servant and, of course, our party joins in the tribute to his memory paid by the two previous speakers.

I can with much more force contribute a personal commendation to the minister on his present deputy minister. As a trooper in the army for some years I found very few colonels for whom I had much time. In fact the only one I would bother to give a supreme recommendation to was the colonel of our regiment, now deputy minister in this department. He came to our regiment at a time when I think it was in poor shape in terms of morale, and he turned it into a happy and efficient organization with a great deal of pride in itself. I hope he will do the same for the Department of Trade and Commerce if that should be necessary.

It is our view that there is no greater impending crisis in any phase of Canadian affairs than we face in trade. It may be unreasonable for me as an opposition spokesman to sympathize with the government, but I do sympathize with the minister and the government in this field. This sympathy would have a little more force if it could be supported by some understanding that the government itself appreciated the nature of the crisis. None of us expects at this time to have exhortations to export or die. A previous speaker characterized the minister's remarks in introducing this matter as rather mildish pollyanna sentiment. We are pleased to have his assurance that the policy will be kept flexible, that the department is aware of impending trouble, but I would say we should have developing now on the initiation of the minister, and in the next several days, a real national debate on our trade policy. It seems to me there is very great need for one.

A tremendous number of things are coinciding to make trade a vastly important issue for Canadians, yet the discussion does not have too much coherence or form. One reason may be the optimistic interpretation, in some ways justified, which the government places on the trade figures that are coming in. There are dozens of different starting questions you could introduce in a debate on trade. I think the most controversial one at the present time relates to our agricultural exports. Questions could also be introduced regarding O.E.E.C., GATT, the commonwealth preference situation and indeed the whole tariff situation.

One of the best things that could be done to focus a real debate on trade would be if some political spokesman would come out and campaign for commercial union or unrestricted reciprocity with the United States. I do not say that because I advocate it, but in the early years of this century, around 1911, we did have a national issue raised by this particular question; and with the way our trade is swinging more and more to the United States and with the present imbalance of trade with that country vis-à-vis our exports, it seems to me that commercial union or unrestricted reciprocity is something well worth talking about and considering. I should like to hear from the minister whether his officials have considered it, and what reasons they have given for rejecting it or for going slowly on it as a possible policy.

I hope all hon. members interested in trade have read the two fine pamphlets put out by the Canada-United States committee, one dealing with the growth of trade between Canada and the United States and the other dealing with barriers to trade between the two countries. It seems to me that our future destiny in trade terms so much lies with our United States neighbours that we need to understand and appreciate the situation much more fully than we do. My own sense of what the Canadian people are feeling is that we have a very strong nationalistic desire, if anything, to avoid too close a merger with the United States in trade and other fields, and the government reflected this itself in the last election campaign with the promise of a 15 per cent diversion.

Mr. Churchill: There was no such promise.

Mr. Fisher: There was an indication that the government was interested in a 15 per cent diversion. This latent nationalism which crops up once in a while is a great barrier to any serious discussion of commercial union or unrestricted reciprocity. I recommend to hon. members a book by Ronald B. MacPherson published a year ago on "Tariffs, Markets and Economic Progress". On page 36 the author goes into the possibilities of Canada and the United States entering into planned stages that would lead in effect to commercial union. He points out the practical difficulties in the way and the great danger to Canada because of our relatively small size in relation to the sheer dynamism and scope of the United States market.

Whatever the case, it seems to me that if we cannot have unrestricted reciprocity or commercial union or planned stages leading to free trade with the United States as a policy on the part of politicians, the whole issue of United States trade needs to be gone into and studied much more fully, not least because of this latent antagonism that exists in Canada toward United States influences.

I can give one concrete example from my own particular region, which the minister may know is a great exporter of basic raw materials. Whenever I visit my constituency almost everyone I talk to points to all the tons of iron ore being shipped down to United States steel mills. They ask why we let the Yanks process this raw material, why we do not do it ourselves. I can give them all kinds of answers about the cost, the lack of limestone and the inability to find markets for direct reduction ore, but their point of view reflects both a nationalism and an antagonism toward seeing so much of our basic raw material going to the United States for processing, and often a recognition that the material comes back to us in the form of manufactured goods at a much higher value.

I endeavour to point out to these people that we would be completely dead in northwestern Ontario if it were not for the United States. We have nine pulp and paper mills, the bulk of whose production goes into the United States market. It forms part of the very substantial export business we have, the newsprint, the kraft paper, the sulphite that goes into the United States market. I tremble with apprehension, as I think any hon. member does if the economy of his area is closely linked with the United States economy, that the people in the area will not be too rough or tough with respect to the United States, because the danger of losing those sales and markets is enough to frighten anybody.

I bring up this point because I think it is time we took a close look at our relations with the United States, to see whether the time has come for us to try to back off from going in any deeper; or, if we are going to be remorselessly drawn in, because of the superior drive of their economy in terms of using our raw materials and as our great trading partner, it seems to me we ought to know the dangers and know just how far we can go before our national identity and our control of our whole economy disappears.

Mr. Pallett: Mr. Chairman, would the hon. member indicate whether he is now reversing his previous statement, in which he advocated free trade?

Mr. Fisher: One of the difficulties in trying to present alternatives in this chamber or in any political forum is that people want to say, "You are for this or for that". All I am suggesting is that one of the great discussions that should be taking place in Canada at the present time is on our trading relationship with the United States. I feel that one way it could be crystallized would be if some political group or the minister could indicate where they stood on a feature of our past such as commercial union or unrestricted reciprocity.

Mr. Churchill: Mr. Chairman, may I ask the hon. member a question? Is that not a function of the hon. member, to indicate his stand? It is not just a matter of raising questions about where the government stands. Let the hon. member state his position.

Mr. Fisher: As the minister knows, our party is having a convention next week which will be dealing with issues like this. I cannot particularly be a pace setter. My own personal feeling is that our destiny is linked inexorably with the United States. I have looked to the Liberal party. Last year I heard the leader of that party say the party was for an eventual movement to an Atlantic free trade area. This is all very nice and sweet. This ultimately would have the effect of free trade or commercial union with the United States; at least that would be part of the picture. But I am suggesting that commercial union is something we may get whether we like it or not if present trends continue, and if we encounter the difficulties in the world trade picture that it seems to me are apparent, especially in relation to the European situation.

In many respects the Canadian internal economy has seen its most fantastic growth in terms of manufacturing and in terms of the service industries, but in the export field the service industries do not provide you with anything unless you want to count what they may provide for tourists who come here. Our manufacturing industries are not getting a remarkably increasing share of our export trade to countries other than the United States. I think in the present position of agricultural abundance in the world and with world markets glutted with raw materials of every kind, Canada must look toward her manufacturing industries to expand, not only to employ the idle labour we have in Canada, or to process further our raw materials and increase their value and so earn more for us in exports, but also to gain foreign capital with which we can finance our way in the world markets.

I do not believe Canada can continue indefinitely to mine her resources and have her high standard of living. We must industrialize and export more manufactured products whose higher value will enable us to continue the present expansion of our economy and maintain what I, as a socialist looking at what is a quasi-private enterprise economy, agree has been a fantastic growth in the past decade. It seems to me that if Canada is to export manufactured goods it is natural that she should look for markets in those areas of the world which are now less developed and are at present entering a phase of industrial expansion. Asia, Africa, South America, Central America and the Caribbean areas come to mind.

From this point of view it is particularly disturbing for us to see that over recent years Canadian exports to all these areas have been slowly and progressively shrinking in relation to our other export patterns, especially in relation to the United States. While Canada's trade with these areas has never been very large, nevertheless it has been very important inasmuch as it provides a market for a disproportionately large percentage of our highly manufactured goods such as processed foods, drugs, chemicals, clothing, paper products, machinery and appliances. For example, the West Indies federation, which in dollar terms ranks thirteenth amongst Canada's trading partners, ranks fourth as a market for highly processed and manufactured goods.

I think one of the main reasons why we will have difficulty in moving into this particular area is our failure to provide credit facilities. This is one important factor limiting Canadian sales in these expanding areas. Canada lacks adequate credit facilities with which to finance sales of machinery and capital equipment. Countries such as Brazil, Mexico and India lack foreign exchange, in particular they lack dollars. Contracts for large projects and capital equipment for these countries are not let so much on price as on the credit terms which the seller can provide.

Many instances of sales having been lost to Canadian firms for lack of adequate credit facilities are apparent in scanning the financial papers. A recent move on the part of a group of Montreal businessmen to form their own export bank and thus remedy the difficulty has not, as far as I know, had any government support. It seems to have died for lack of adequate backing. Surely the Department of Trade and Commerce should be moving into this field. I should like to

point out to the minister a paragraph in an article by one of my favourite economic writers, Andrew Shonfield, found in the *Observer* of July 17, 1960. At the end of an article dealing with Mr. Macmillan's concern over the British export situation he says:

> Certainly the government will not obtain the results that we need without spending more money, not just on prodding businessmen, but in giving them favours—like the benefit of some free advertising in foreign markets. There is also a case for adopting a more lavish policy in subsidizing export market research and other costly preliminaries, which a firm has to undertake before it can hope to sell anything abroad.
>
> After all, if we are prepared to devote public money to support firms which set up factories in particular areas where they serve the public interest, why be coy about applying the same method to induce firms to start selling in export markets?

As I understand the situation, the British are ahead of us in supporting long term credit arrangements for their exporters. Here is one of the leading economists of Great Britain advocating that they go even further in accepting responsibility because of the vital importance of exports. It seems to me that the Export Credit Insurance Corporation set-up is a very good one, but the government should have been considering extending it, especially from the point of view of providing credit on a long term basis. We feel there is a desperate need for large amounts of capital at reasonable terms over periods of 10 to 15 years to finance long term capital programs in these underdeveloped areas, which would lead to the sale of Canadian products, especially manufactured products with a high engineering content, and perhaps the provision of engineering assistance.

Another area where we would appreciate more information from the minister has to do with the question of tariff barriers to Canadian trade. It seems to me that as our country becomes more and more industrialized it is natural that Canada in the first instance will look toward her natural and traditional trading areas for markets for her manufactured goods, the United States and the United Kingdom. But the United States and the United Kingdom originally set up their tariff schedules so as to admit freely those raw materials needed for their own industries, and at the same time they have given protection to those industries against competition from imports, including our products. Thus Canada now finds that she is locked out of these markets for manufactured goods.

It is significant to compare the changes that have taken place. The booklet, "Barriers to Trade", issued by the Canadian-American committee has this to say on pages 6 and 7:

> On the United States free list, there are 110 specific items for which there were imports of $100,000 or more from Canada in 1957. In contrast, there are over 500 no-duty items in the Canadian tariff lists for which there were imports of $100,000 from the United States in 1957.

That is a very strong argument for reciprocity. On page 7 there is the following:

> The general tendency in both the United States and Canada over the past 30 years has been for the free items to decline both in number and in relative importance. Between 1929 and 1931, duty free United States imports from Canada averaged about four fifths of total imports as compared to only three fifths today. A similar shrinking of the relative importance of free items among United States exports to Canada is observable, although the drop is less marked. The fact that the United States tariff act has not been revised in almost 30 years doubtless accounts for the persistence of some items, such as bread, which has recently begun to offer strong competition to some domestic producers near the Canadian border.

These quotations point up our weakness vis-à-vis the United States in getting manufactured items over their tariffs and into their trade economy. It is also significant to note with respect to Canada's trade with the United Kingdom during 1959 that less than 20 per cent of Canadian exports received any tariff preference whatsoever, whereas 80 per cent of United Kingdom exports to Canada came in under preferential tariff treatment. As an example, British automobiles enjoy a tariff preference of 17 per cent over all others, including United States automobiles. This would seem to point up the tariff duties that face our products in the United States and the United Kingdom where strong, sharp and persistent negotiations and pressure seem to be necessary in order to give our manufacturers a chance.

One of the problems we face so far as exporting is concerned is the subsidies given by foreign countries to promote exports. Many countries give tax write-offs and special concessions to industries to encourage their export trade. For example, Germany and Britain both give tax rebates to shipping companies. On page 74 of this booklet published by the Canadian-American committee you have this paragraph:

> The Canadian nickel industry is understandably concerned about government subsidies to the Freeport Sulphur Company, which processes Cuban ore. The U.S. government has invested roughly six million dollars in a plant at Braithwaite, Louisiana, which was sold to Freeport in March 1959 for $236,455. Under a purchase contract, the government is obligated to buy 271 million pounds of nickel at 75 cents a pound from Freeport Sulphur—

Then later, on page 75, we have this:

> U.S. fluorspar production has, for many years, been greatly exceeded by imports. The major sources of supply are Mexico, Spain, Italy and West Germany. Domestic mines are unable to supply the vastly expanded requirements of United States industries, and the government has resorted

to a combination of tariff protection and purchase programs to stimulate output. Thus, while domestic acid grade fluorspar was quoted in trade journals at about $50 per short ton during 1958, the government was paying $53 under stockpile contracts; and the industry was further sheltered from foreign competition by a tariff of $2.10.

These are two examples of what other countries, countries which are our trading partners, do to protect and develop exports. These actions, incidentally, while not contravening the letter of GATT are certainly doing so in the spirit by providing subsidies for exports. Action along similar lines which is embarrassing us is the dumping duty being levied against Canadian chemicals in the United States and the United Kingdom. We would like to hear from the minister what that situation is and what products in those two markets have had dumping duties levied against them—I refer to Canadian chemical production—and what is the scale of the matter.

Another bar to Canadian trade abroad is the restrictive series of health and sanitation regulations which apply to a good many pharmaceutical lines. It is almost impossible to get approval to market ethical drugs and vaccines in the United Kingdom and the United States. The same thing applies to some varieties of processed foods. These laws are used to delay and discourage our exports.

The final form of bureaucratic stonewalling that is encountered in the administration of customs tariffs is the fact that it may take months or even years to obtain a tariff ruling on a new product that Canada may want to put into the British or the United States market. The whole future of our trade, of course, is complicated by regional associations. It has now become accepted that more and more regional customs unions are being formed in the western nations, and so far Canada does not seem seriously interested in getting into any of them. We have the European common market, the European free trade area, the Central American customs union and the South American customs union, and they are all either well on their way or under consideration at the present time.

The ones that are of chief importance to Canada are the two European blocs, that is the European common market and the European free trade area. So far the European common market has been setting the pace, to such an extent that if you pick up any of the British economic journals it is apparent that Britain is in a complete snit about the developments that are taking place there. I do not mean that they are not prepared to take part, but it has been an in and out game in so far as the British are concerned. I understand that the minister cannot give us any idea on how we are going to stand in the British market in the light of the possibilities of the European free trade area and the European common market. I take it from this that the British have been less than kind to us in the negotiations that have taken place.

For example, I should like to know what assurances the British were prepared to give when Mr. Maudling was over here. I have followed British affairs fairly closely, and there is a lot of maudlin sentiment about the commonwealth; but my impression from my reading has been that there is a switch away from any hope that Britain can stay away from the European blocs. She has made some kind of rapprochement with the European common market and if she does enter that bloc it may not be a case of the devil take the commonwealth and the devil take Canada, but we are likely to get much less consideration than we would have obtained a year ago.

The ultimate goal of the European common market is to eliminate tariff barriers between the members of the community, while presenting a uniform tariff to all outsiders. This means a gradual lowering of some high tariffs against outsiders but also a raising of some tariffs for low tariff countries such as Holland and Germany, both important customers for Canadian goods. So far we have had two 10 per cent tariff cuts in the European common market, the first on January 1, 1959 and the second on July 1, 1960. The embarrassing feature of raising the tariffs has been put off until January 1, 1961, which will enable the whole situation to be talked over at the GATT meetings in Geneva this fall. At present opinion differs as to what may take place in the very fluid situation.

I noticed that the parliamentary secretary was guying the Liberal spokesman about what examples of United States action he could point out which would indicate that the United States was considering this matter more seriously than Canada. Well, I could refer the parliamentary secretary to the *Economist* for July 23, 1960, which contains an article entitled "Tussle Over Tariffs".

The Chairman: I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Some hon. Members: Go ahead.

The Chairman: Has the hon. member unanimous consent to proceed?

Some hon. Members: Agreed.

Mr. Churchill: But not for another half hour.

Mr. Fisher: No, not for another half hour. This article reads:

> Washington is stepping up its preparations for the round of tariff negotiations due to start in Geneva this September—the fifth since the general agreements on tariff and trade came into force in 1948. Some time ago the administration issued a provisional list of those imported items on which it was prepared to offer tariff concessions. Last week the tariff commission allowed businessmen affected by this list to present their case, and hearings will continue on an industry by industry basis throughout the summer.

Has anything like this taken place in Canada?

> Their purpose is to enable the commission to establish, for each product listed, a "peril point" below which the tariff must not be pushed; the President will use these findings (which remain secret) to draw up the final list that negotiators take to Geneva. At the same time, firms testifying before the tariff commission in the mornings are invited in the afternoons to give the committee for reciprocity information (a body representing the different government agencies concerned with trade policy) their views on what concessions the United States should seek and grant.
>
> The sharp increase in American imports has strengthened protectionist sentiments generally and the administration, with balance of payments problems much on its mind, is adopting a "tough" attitude toward the coming negotiations.
>
> The proposed list of products on which the administration would consider tariff cuts is lengthy —it includes some 2,500 items representing 20 per cent of the present value of American imports—

And so on. The article continues:

> Besides this the administration has (for the first time) drawn up a list of those products on which it hopes to win concessions—a list that runs practically the full gamut of the trade statistics. Most officials are taking pains to point out that America must have some attractive concessions to offer if it is to get more leg room in foreign markets, although the secretary of commerce, Mr. Meuller, has asserted that America should, on this occasion, get rather more than it gives in recognition of its past generosities over tariffs.

I would like to ask the minister, are we going to ask for more than we are going to give because of past generosity? Have we a short list of parallel points? Have we had any hearings with exporters or manufacturers, with anyone, about the concessions that we are prepared to give in Canada? I would like to hear about this, because these meetings are coming up shortly and I imagine the minister's officials are to appear before them. If this is not action by the United States, I am very surprised. It seems to me very pragmatic action. What are we doing of a comparable kind? I think that is a fair question to ask the minister. It seems to me that Canada's interest stems from the fact that at present 70 per cent of her exports to E.E.C. go into Germany, a low tariff country, which according to the schedule is due to raise some of her tariffs on January 1, 1961. It is also of interest to note that 70 per cent of our exports to E.E.C., which are mainly agricultural and raw materials, enter under rates negotiated by Canada and bound against increases by individual countries. What happens to them if we get a general increase in tariffs by E.E.C. on January 1, 1961?

When you look at the E.F.T.A. situation you also find that on July 1, 1960 the first cut of 20 per cent in the tariff rates between members of E.F.T.A. took place. So far this is not serious but with future reductions Canadian agricultural and forest products, which now enjoy a preference on the British market, will be faced with free entry goods from Denmark, Sweden, etc., and everyone knows that the Danes are very good at agriculture and that the Swedes have very high quality forest products. This is bound to affect Canadian exports, though to what extent it is difficult to say. I would like to know whether the minister can hazard some estimate as to how we are going to be affected in these particular fields of agriculture and lumber products in the E.F.T.A. area by the competition that will come from Denmark and Sweden.

The minister is more than aware of the relative state of confusion between E.E.C. and E.F.T.A., and it is almost anyone's guess whether these two will get together and form a larger European free trade area. I would take it from what the minister said that he would encourage this development if at all possible, perhaps with the idea that with the larger group—not six or seven, but a larger group of 13—it may be possible for the government to get a better deal or better arrangement in so far as Canadian goods are concerned. At present talks are going on between Germany and the United Kingdom on these matters. I wonder whether the minister has anything to report on these conversations. The United States is certainly showing concern over these groupings, and she is showing concern following a great deal of encouragement that she gave in this direction earlier.

At the very least the future of the European situation is uncertain, and our uncertainty is almost doubled or tripled by the fact that we are not in on the thing except through GATT and the negotiations that are going to take place there.

It is always interesting to reflect—and members of our party have done this before —that there is provision under NATO for economic co-operation, although this clause has never really been put into effect.

One of the questions I would like to ask the minister is whether he feels that Canada can only obtain tariff concessions for Canadian exporters through giving tariff concessions to countries importing into Canada.

In the face of all this one wonders whether Canada has bargained away all her concessions already. Certainly all manner of goods obtain free or near free access to the Canadian market, to the extent that severe pressure has been put on various sectors of our economy. We only have to look at textiles, rubber goods or automobiles, to name a few. I could flip through the first 14 or 15 pages of the minister's annual report and see potential weaknesses all over the place because of the competition and the fact that we seem to have perhaps let barriers down too far.

Mr. Pallett: I wonder if the hon. member would permit a question. Is he advocating that there should be tariff increases?

Mr. Fisher: The parliamentary secretary knows very well that I am not, but certainly it has to be considered by the government. The textile industry is in very bad shape; the automobile industry is in very bad shape, or it shows possibilities of getting into a very poor condition. The manufacturers of rubber goods seem to need protection; any protection there seems necessary. For an individual member to stand up and say we want higher tariffs it seems to me is a most retrograde step, but surely our commercial policy in these fields needs some analysis and some prediction on the part of the minister to tell us where we are going to go if we have already bargained away our position, as seems to be indicated by the fact that domestic industries are in trouble. What steps is the minister going to take to remedy this situation?

I think Canada might usefully look at Australia's example. Here we have a country in a similar stage of development, but which has used quotas, tariffs, and licensing arrangements to so restrict imports that it has become profitable for many foreign industries to set up manufacturing or assembly plants there. For instance, there is a Volkswagen plant in Australia. While Canada's automobile industry has been contracting since the war, about six new assembly and manufacturing plants have been set up in Australia to serve that particular market. Australia has used tariff protection to establish these industries, while Canada has fallen into the position where an ever increasing share of cars on the road are imported from overseas.

Mr. Jones: If I understand the hon. member correctly, he has recommended that we follow Australia's example, which is increasing tariffs. Is that his view?

Mr. Fisher: I am suggesting that we look at what the Australians have done, because they have been able to get German and British automobile manufacturers to establish manufacturing and assembly plants in their country at a time when we have not been able to achieve this at all, and a great many foreign automobiles are being sold in Canada and are affecting our domestic production. I say that if Australia has been able to achieve this, it might be an example to us in some way. They still seem to be able to sell their raw materials and agricultural goods on the world market, despite the fact that they have these barriers.

In conclusion, I suggest that Canada is not pushing her weight in world trade councils. We are always in the unenviable position of trailing along as "me too" in the wake of British or United States proposals. For a nation which boasts of the world's highest per capita trade volume this is a pathetic situation indeed. There are many avenues open to rectify this situation, but the present government is unable or unwilling to do so.

First, Canada should press for modification of GATT and call for more scrupulous adherence to the principles of the treaty by member nations.

Second, she should make more extensive use of the many provisions in GATT that give a country freedom in making unilateral tariff decisions, such as parts 18 and 29 which provide for the protection of infant industries in a new country in the process of industrialization. Third, some provision over and above the Export Credit Insurance Corporation should be made for financing the export of Canadian products to underdeveloped countries which lack the dollars for outright purchases. It seems to me that these are all steps the government should consider and eventually will have to consider.

I have tried in my reading on trade in recent weeks to get some understanding. I talked to one financial expert on one of the prominent Canadian newspapers very much interested in trade, and he said that one of the things the government needs to do is to boot some of our manufacturers on the fanny and get them to sell outside. I take it that the trade missions announced by the minister are one move in that direction.

I think another step the government should take is what I referred to earlier—and it is almost a national psychological situation—and that is the need to make us aware of all the problems involved in our trade and the desperate need for us to expand and to look at our trade situation with the Americans.

One point I want to conclude on is that I have been disappointed in the fact that one of the largest elements in any manufacturing situation has not taken more aggressive lead

in looking at our trade situation. I am referring here to our own Canadian Labour Congress. I was always very much impressed with the brief which the Canadian Labour Congress presents to the government, but it does seem to me that we should expect more initiative from this particular organization in the field of trade, even as a defensive measure; because one of the great arguments of people who might think they have a deep enmity against the labour movement is that the reason we are not getting a greater share of the export trade is because of our very high labour costs. Another argument which is raised is that the reason so many imports come into this country is that we cannot produce these kinds of products at a low enough cost because again our labour costs are too high.

If I were to make an appeal it would not be to the minister or to the government; it would be to the organized labour of this country to take a look at our trade situation and see if there is not some way they can take the initiative in dispelling some of the rumours and doubts about their own role in our cost pattern, and also to see whether we cannot blast our way into more markets and sell more Canadian manufactured products and in that way employ more Canadian workers.

Mr. McIntosh: Mr. Chairman, I regret that my remarks on the minister's estimates at this time must be of a critical nature. My remarks will be chiefly in connection with the Canadian wheat board, which is administered by the Department of Trade and Commerce.

I am aware that under the Canadian Wheat Board Act the Canadian wheat board is given very wide powers pertaining to the delivery and merchandising of western wheat, oats and barley. I also realize that these powers were given to the wheat board by parliament. However, I feel that the present officials of the Canadian wheat board are not carrying out the policies of this government; and I wish to stress that point. They have also become too complacent in their attitude to their duties as members of that board. I might say here that the powers they have been given are too wide to be administered by bureaucrats.

Mr. Chairman, my criticism can be broken down into two fields, marketing and politics. My chief concern has to do with the marketing of western grain both in our domestic market and in our foreign markets, and I am deeply concerned with our diminishing grain markets. The political field can be considered minor and I would suggest the difficulty can easily be rectified, but I will deal with that aspect of my remarks at the conclusion of what I have to say.

[Mr. Fisher.]

In regard to the marketing of western grain, I feel that the present officials of the board are not doing the job they are capable of doing, or possibly I should say that they should be capable of doing. I would draw your attention, Mr. Chairman, to the grain trade year book, which indicates that in some foreign markets Canada's grain sales were reduced by a considerable amount during the grain years 1958-59 from those of the previous grain year. An article which appeared on August 4 in the *Western Producer* stated that the visible supply of western grain has increased by 42 million bushels this week over the same week last year. I have also before me a table which shows that during the past year Russia exported 40 million bushels of wheat to western European countries, and many of these countries were former customers of Canada.

It is to be noted that Canadian wheat sales to the Netherlands dropped from 21 million bushels in 1957-58 to 7 million bushels in 1958-59. That is an actual decline of 14 million bushels in one year in sales to one of our most valuable customers. During that same period, 1958-59, Russia sold to the Netherlands almost 10 million bushels of wheat.

This situation was brought to the attention of the officials of the wheat board during the consideration of their report by the agriculture committee, but I am not satisfied with the replies to the questions which were put to them. I would ask, how does your department account for this situation? Would you suggest it is a matter of price or availability of grade required, or both? I am quite sure that the producers I represent will have an answer to the board if they contend that the question is availability, when the farmers' bins are full of millions of bushels of unsold grain. In fact, daily on the prairies at the present time many thousands of bushels of wheat are being bartered for feed at any rate.

It is also to be noted that Sweden purchased over two million bushels of wheat from Russia during 1958-59 and practically nothing from Canada during that same period. May I ask what efforts were made by the Canadian wheat board to capture any part of this Swedish market? France, also a former customer of Canada, did not purchase wheat from us in 1957-58, as she was an exporter at that time. In 1958-59 how was Russia able to sell France eight million bushels to our one million, when France again became an importer and was in the market for foreign wheat?

It is also noted that sales by Canada to the United Kingdom dropped in the past year by four million bushels, and Russia

has apparently gained this additional market. Has the increase in the tariff on British woollens contributed to fewer wheat sales to the United Kingdom? During the 20-year period prior to 1939 the United Kingdom imports, combined with their domestic production, averaged 278 million bushels. Canadian sales to the United Kingdom during the same period averaged 141 million bushels, or slightly over 50 per cent of the United Kingdom's consumption. After the second world war, from 1945 to 1949 during the British-Canadian wheat agreement, our share of the United Kingdom market was increased to 56 per cent or an average yearly export to the United Kingdom of slightly over 150 million bushels. From 1953 to 1959 our average yearly sales to the United Kingdom dropped to 100 million bushels or only 36 per cent of their total market. What was the reason for this decrease in sales to the United Kingdom when the United Kingdom imports of wheat and flour were greater during the last six years than the preceding four years?

In the past it was apparently the custom of the United Kingdom buyer to carry stocks of Canadian wheat in the United Kingdom. It would appear that this no longer happens, but rather that the Canadian farmer and taxpayer are expected to carry this load. What caused this trend? Was it a result of present policies of the Canadian wheat board?

During the 20-year period prior to 1939 the annual average world trade in wheat was approximately 660 million bushels. Canadian export sales during the same period were 240 million bushels, or 35 per cent of the market. During the period 1947 to 1959 world wheat trade averaged 993 million bushels annually. Canada's average export sales over the same period were 277 million bushels, or 27 per cent of the world market. What is the reason that the Canadian officials charged with the responsibility for wheat sales did not capture a larger percentage of this increased world market?

Mr. Churchill: Excuse me for interrupting, but I missed the percentage figure. The hon. member referred to 277 million bushels—

Mr. McIntosh: Possibly my percentage is not entirely accurate, but the percentages I was giving do show a downward trend.

Mr. Churchill: My attention was distracted, and I missed the figure which was given.

Mr. McIntosh: I said it dropped to 27 per cent of the world market in the period 1947 to 1959. In the year 1958-59 we are given the figure for world trade in wheat as 1,220 million bushels. United States wheat exports, including give-away programs and commercial sales, amounted to 443 million bushels. Canada's sales of wheat were 290 million bushels. What efforts, if any, are being made by the Canadian wheat board to capture a portion of the remaining 487 million bushel market? Have the Canadian wheat board officials made any study of the apparent successful methods used by the Russians to capture their obvious new markets? What are the suggestions advanced by the wheat board to counteract the Russian aggressiveness in our foreign wheat markets? Has the wheat board advanced any suggestions as to how new markets could be opened for the sale of Canadian wheat? I refer now to the potential African market, and particularly Nigeria, where I understand the balance of trade is favourable, and with very little assistance in the field of research and education, an untold market is ripe for some aggressive wheat growing country to obtain a market for many millions of bushels of wheat. If the minister desires more information as to the potential of this market, I will gladly discuss my source of information with him.

I have reason to believe that the present wheat board policy in determining its daily selling price for Canadian wheat offerings to domestic and foreign buyers is too rigid, and that as a result of this inflexibility we have lost foreign sales which should have been available to our western producers. I am aware that those who do not agree with my remarks will charge that I am trying to interfere with the orderly system of marketing of western grain. I hasten to say that if such a system solves or will solve the problem of the western grain surplus, then I will support it wholeheartedly. On the other hand, if the present orderly system of marketing works to the disadvantage of the western grain producers whom I represent, then I suggest that some of the conditions in this system should be changed.

I am not advocating that the orderly system of marketing should be discarded. I believe I am offering evidence that proves that the way it is functioning at the present time can lead to only one result, the loss of further grain markets for our producers. It is essential that we avoid this downward pattern.

I could elaborate on this, but I do not think that is necessary. I wish to emphasize this point. As the government has complete control of the marketing of wheat on the prairies, then it is the responsibility of the government to see that markets are obtained or tell the producers they are unable to do the job.

It would appear from evidence that was presented to the agriculture committee when the feed mill problem was investigated that there is a danger of our present domestic

market for grain being reduced. If the regulations in effect at the present time were enforced the result would be that some of our domestic buyers would be forced to import corn from the United States to substitute for local grain, which at the present time they are using to meet their demands. I submit that if such a situation occurs, in which a country with grain rotting in its granaries legislates so that it is not economically sound for local business to purchase the grain we have in surplus quantities but rather that they must import from our competitors, then the situation is bordering on the ridiculous.

The rural area which I represent is deeply concerned about our diminishing grain markets and the apparent unconcern of the present wheat board officials about taking positive action to retain those markets which we have enjoyed in the past, or to develop other potential possibilities.

The result of the apathy on the part of the present officials of the wheat board is that the income of the grain producers of the prairies has been steadily decreasing. Figures which I have obtained from the three largest spending departments of the federal government—and I am only talking about Saskatchewan at the present time—will show that the economy of Saskatchewan does not benefit as the result of federal government expenditures in the same proportion as do other provinces of our country. It is an absolute necessity that we retain and increase our present grain markets.

From the Department of Transport's estimates, excluding boards and commissions, on a geographical basis we find that out of a total of over $200 million, slightly over $23 million is spent in Newfoundland and Labrador. Figures for the remaining provinces are of equal interest. They are as follows:

New Brunswick	$12 million
Nova Scotia	13 "
Northwest Territories and the Yukon	13 "
British Columbia	18 "
Alberta	11 "
Ontario	32 "
Quebec	42 "

On the same basis, of the expenditures of the Department of National Defence, with a total budget of over $1.5 billion, only $14 million is spent in Saskatchewan. For the other provinces the expenditure is:

Manitoba	$ 71 million
Alberta	76 "
New Brunswick	37 "
Nova Scotia	129 "
British Columbia	106 "
Quebec	313 "
Ontario	570 "

[Mr. McIntosh.]

With regard to expenditures by provinces by the Department of Public Works, totalling $226 million, I have obtained the information that on a percentage basis, Saskatchewan obtains only 2.7 per cent. For the record, here are the remaining figures:

Newfoundland	7.7 per cent
Nova Scotia	5.2 " "
New Brunswick	6.6 " "
Manitoba	4.0 " "
Alberta	5.5 " "
British Columbia	16.4 " "
Quebec	11.0 " "
Ontario (including Ottawa)	37.0 " "

The city of Ottawa accounts for 16 per cent of that figure of 37 per cent. In fact the city of Ottawa alone receives five times the amount of the expenditures made by this department in the entire province of Saskatchewan. If the expenditure of other departments of government is in the same ratio, as I would say it is, it can be seen that the province of Saskatchewan gets little to bolster its economy. That is why I suggest it is essential that the Canadian wheat board, which markets our grain, does the job it was designed to do; and if it cannot, then immediate steps should be taken for some alternative system to be investigated before we lose a larger portion of our market. If they cannot do the job, now is the time for the people to be told this fact.

Figures taken from the annual statements of the Canadian wheat board show that the cost of handling a bushel of wheat has progressively increased from 4.8 cents in 1943-44 to 16.8 cents in 1957-58. The officials of the board have stated that the administrative cost of handling a bushel of wheat is three eighths of a cent; therefore we must assume that the additional 16 cents of cost is attributable to storage and interest, which is deducted from the farmers' return per bushel.

I suggest that if there was more flexibility in the pricing policy of the wheat board, at least within the 16 cent range paid for storage and interest, there would have been more sales of wheat as well as some relief in respect to the storage problem of the western grain producer. It is no secret in the west that the elevator companies are enjoying substantial profits from these storage charges. I contend that this is revenue derived from the sale of grain which should be going directly into the pockets of the farmers rather than into the coffers of the elevator companies.

In an articled entitled "Where Your Tax Money Really Goes", published in the *Financial Post* of July 30, 1960, reference is made to the fact that grain storage subsidies did not begin until 1956, and that they will total $424.7 million in five fiscal years. It

appears to me that the present policies of the wheat board are working to the advantage of the elevator companies rather than the farmers whose interests, as I mentioned before, they were designed to protect.

Time does not permit me to deal at length with our coarse grain markets. The same criticism I have offered as to the board's handling of our wheat problem applies equally in the case of oats and barley, with these added observations. The present price of oats would indicate that there is a demand for this grain. Oats at the time I prepared this information were worth roughly 20 cents per bushel more than the farmers' initial payment. Why then was there an apparent shortage at the lakehead when the demand was there? Was this a result of poor planning, or of lack of foresight on the part of our officials? If a commodity is not available when the demand is presented, I suggest this is one way to discourage potential buyers, and certainly it is not in the interests of the producers trying to diversify their production to include crops which are in demand on foreign markets. Why has there been no supplemental quota for oats this year as in former years? I contend that the present wheat board appears not to concern itself with what the current demand might be. If they were abreast of the times they would have means of ascertaining the demands of foreign buyers and would have the produce readily available for any potential sale.

What effort has the Canadian wheat board made to capture the market for barley that presently exists in the United States? Would the minister not agree that if this market, which is available, could be captured, more of our wheat producers could convert their production to barley, thus cutting down our problems of surplus wheat? I understand that one hon. member has had representations made to him with respect to the possibility of a Peruvian market for our western barley. Why has that not been investigated? I could cite specific cases where my constituents, in my opinion, have been discouraged from producing barley as the result of routine handling of their problem by the officials of the wheat board. I wish to stress the point that the present wheat board officials appear to be too complacent and apathetic. They lack imagination and initiative to do the job they are charged with doing and, I state again, are not following out the policies of this government.

I stated that the second part of my criticism was in the political field. This also refers to the officials of the Canadian wheat board, who I believe deliberately took certain action prior to the Saskatchewan election with a view to discrediting our party and particularly certain provincial candidates of the party. Before I elaborate on the particulars I wish to remind the minister of the statement of one of his present cabinet colleagues, when he said that if you allow trained civil servants to take over, you get a bureaucracy and democracy ceases to exist. The taxpayer and the public are still important and deserve protection against the encroachment of bureaucracy, but politicians and public servants sometimes forget this fact.

I would also suggest that if civil servants desire to remain above politics, they should not use the powers of their office, in either word or deed, to influence public opinion in favour of one party or another. I believe some officials of the Canadian wheat board deliberately used the powers of their office on the eve of the last Saskatchewan provincial election to influence the voters in one constituency of my riding. They called in the R.C.M.P. to assist them to investigate a great number of producers for infractions under the wheat board act. This action undoubtedly contributed to the defeat of the candidate representing the Conservative party in that area.

I do not condone the infractions of the wheat board act on the part of the persons concerned. On the other hand, I do not agree with conditions of a law which educate people to be lawbreakers. This observation may be straying from the point in question and perhaps would be better as a topic for later discussion when the wheat board act comes up for review. It is common knowledge in the west that in certain areas, in order to survive and be able to purchase the necessities of life, many farmers take chances and market their grain in any manner which presents itself, regardless of whether or not the courts would regard it as legal. Grain is the only produce they have for sale or exchange for family needs. It has been known to the wheat board for some years that these infractions were taking place and were not prevalent in just one area, but rather were scattered widely over all the spring wheat district.

I ask the minister, in view of the hundreds of complaints the wheat board have stated they have received over the years in connection with these infractions, why did the officials choose this particular time and area for an active physical investigation, if it was not for political purposes? I would remind the minister that as the employees of the Canadian wheat board do not come under the Civil Service Act, steps should be taken to assure this committee and members of all political parties that such action will not be indulged in again by officials of the government.

Common sense alone should have influenced the board's decision against such action just prior to an election, unless the officials felt they were so firmly entrenched that those they were going to embarrass could not make them account for their actions. If such is the case, Mr. Chairman, I would suggest that bureaucracy has taken over in the prairie provinces and that democracy has ceased to exist there. I further suggest that a good look should be taken at other government agencies on the prairies where, in the opinion of a great number of my constituents, a similar situation exists.

(Translation):

Mr. Boulanger: Mr. Chairman, in the course of the inquiries I have made to understand the complex structure of the Department of Trade and Commerce, in the matter of both external and internal trade, I found that it presents a striking similarity to the administration of a family or private enterprise.

If, in a family of workers or of farmers, or in some business organization, the outgoing sums exceed the incoming revenue the situation cannot last very long. Bankruptcy can be deferred for a while if the borrowing power is good and if there remains certain collateral, but the final outcome remains inevitable. There will come a time when the confidence of the money lenders will be shaken. This will mean either total bankruptcy or a change in administration, in management.

That is precisely the situation in which Canada finds itself at the present time. It is the situation of the family man or businessman who buys more than he can afford to.

Last year, we spent $1.46 billion beyond our means and this has been the situation ever since the Conservative government has been in power. In the last four years, the Department of Trade and Commerce, or the government of Canada, has put us into debt to the tune of nearly $4 billion.

At that rate, for how many more years can Canada run deeper into debt before panic breaks out?

We in this country note a state of alarming crisis which hints at a change of administration, which would be a solution, or else we will have to surrender our assets, and our economy and our policies will then be controlled by the U.S.A.

Mr. Chairman, in support of his predictions with regard to an increase in our production, the Minister of Trade and Commerce (Mr. Churchill), makes much ado about U.S. capital investment in Canada. He piles up figures and statistics to present a confusing picture of the real economic situation, which, however, reveals entirely artificial circumstances.

It is true that until 1957, Canada enjoyed a record development, as expressed by the rapid increase in our capital goods. That is why the Minister of Trade and Commerce feels so confident. But there are quite a few economists, including the governor of the Bank of Canada, who consider this one-sided development—if I may so describe it as a cause for concern, for it is not in keeping with the trends of our export trade or consumer market.

We may wonder today whether Canada has not borrowed abroad more than it can afford, thus shouldering a heavy financial liability which we can only meet by increasing our exports and our domestic marketing.

Yet, our imports have been increasing while our exports failed to rise in the same proportion.

In the textile field, for instance, in 1959, there was a record demand for 555 million yards of cotton goods in this country. This was an increase of 15 per cent over the previous year. Of that quantity, 326 million yards were imported in 1959, including 240 million yards from the United States alone. It was the first time in Canadian history that the United States supplied us with more than we had produced ourselves. We imported 28 million yards more than in 1958, while we produced 14 million less.

The portion of Canadian production which was left to our industries then fell to 41 per cent last year, while it was 45 per cent in 1958, and 51 per cent in 1956.

In 1959, our imports from Japan were 56 per cent greater than in 1958.

Our imports from Hong Kong, which amounted to $3.1 million in 1958 increased to $6 million in 1959. Furthermore, according to D.B.S. figures, our imports from Hong Kong have amounted to $2.3 million in the first three months of 1960. At this rate, our imports from Hong Kong should amount to something like $10 million by the end of 1960. They are a greater threat to our Canadian ready-to-wear industry than our imports from Japan, because there are no quotas in that British colony.

The same thing is happening in the field of synthetic fibres.

Our imports have gone up 18 per cent in 1959 as compared to 1958. In fact, in 1959, we imported 32 million yards of fabric from the United States; this was a million yards more than in 1958, and 5 million more yards than in 1956.

We also imported 1.3 million yards of fabric from Great Britain in 1959, as against only a million yards in 1958.

Again during the same year, in 1959, we imported 6.5 million yards of synthetic fibres from Japan; this was 2 million yards more than in 1958.

The proportion of those products used for our domestic requirements dropped from 75 to 69 per cent between 1956 and 1959, a decrease of 6 per cent.

The situation in the textile production as a whole may be summed up as follows:

In 1956, the production of our mills reached 394 million linear yards of fabric, while it dropped to 342 million yards in 1959, a decrease of 52 million yards within 4 years.

In 1956 our mills were producing 55 per cent of our domestic consumption, whereas in 1959 they were producing only 47 per cent.

In 1956, the three main sectors of primary textile products were employing 51,340 persons, but in 1959 that number was down to 43,097, a decrease of 8,253.

There, Mr. Chairman, you have a picture of the Conservative government's constribution to the cause of our textile industry: lowered production in our mills, higher imports and, as a result, increased unemployment.

What is happening in the textile industry is also happening in other sectors of our economy. It is the same in the case of footwear. In 1959, we imported 5,598,734 pairs of shoes of all kinds, i.e. 44.1 per cent more than the 3,886,242 pairs imported in 1958. In 1959, footwear imports, from Japan only, increased by 144 per cent, as compared to those of 1958.

We are importing 26 per cent of our chemical products requirements, whereas the United States are importing only 2 per cent, Great Britain 10 per cent and Japan 7 per cent.

In 1956, the automobile industry was employing 35,099 persons and was producing 467,864 cars, while in 1959, the number of employees went down to 33,160, and the number of cars to 368,587.

Our 1959 imports reached $243,088,000, representing 122,340 cars. Mr. Chairman, all sectors of the manufacturing industry in Canada are feeling the disastrous consequences of imports. The situation has reached the point where action must be taken at once, if we want the future of this country to rest on a greater and stronger manufacturing industry.

In so far as textile industry is concerned, the government has already in its statutes an act which may be applied, to put a stop to the flow of cotton imports subsidized by the United States, and to determine satisfactory prices for Japanese import products; but the government does not seem to wish to apply that act. And yet, before the election, the Conservatives had solemnly promised to solve, once and for all, the problems of our manufacturing industry, especially those of the textile industry.

(Text):

Mr. Pallett: Would the hon. member permit a question?

Mr. Boulanger: When I finish my remarks.

(Translation):

Mr. Chairman, it is certainly not through the establishment of royal commissions that the government will fulfil its promises and strengthen our industries which are in immediate need of a definite and positive government policy.

If the government refuses to enact the legislation it claimed was so necessary in 1958 it should find other means to correct a situation that has become alarming. Consideration should be given to the possibility of introducing a special policy of grants designed to further the rehabilitation and consolidation of our industry during the difficult situation it is now going through. Other steps could no doubt be taken to promote our industry, as is being done in the case of the coal and gold mining industries.

In any case, the present situation is obvious, and should not be tolerated any longer. On the other hand, the government promised to do something. I hope that during this debate, Conservative members will rise, not to commend the government—for the present situation is worse than ever—but to join with opposition members in urging immediate action before it is too late. Mr. Chairman, before concluding my remarks, I should like to acquaint the Minister of Trade and Commerce with a resolution I have received from the Drummondville employment committee, wherein mention is made of

the unemployment situation and of the textile industry. It reads in part as follows:

Whereas in the last few years, industry in Drummondville has been seriously affected by the increase in Canadian imports to the steadily growing detriment of our manufactured products;

Whereas these depressed conditions in our area are being felt especially in the field of textile manufactured products;

Whereas, according to official figures, obtained from the D.B.S. and from Canadian manufacturing companies, Canadian imports of those products heavily exceed exports of same;

Whereas the figures of textile imports alone can be expressed as follows:

Date	Product	Quantity imported
December 31, 1958	Synthetic fibre	6,700,000 lbs
December 31, 1959	Synthetic fibre	9,878,000 lbs
December 31, 1958	Knitted fabric	692,000 lbs
December 31, 1959	Knitted fabric	871,000 lbs
December 31, 1958	Woven fabric	11,035,000 lbs
December 31, 1959	Woven fabric	11,780,000 lbs

Whereas this situation, arising out of unduly high imports is financially detrimental to more than half the population of the city of Drummondville, and to almost as many residents of the eastern townships where textile mills are one of the major manufacturing industries;

Whereas the federal government does not seem to have taken any serious steps of a nature to be of assistance to our manufacturers, in this regard, despite repeated requests of various management and union organizations;

Whereas conditions are deteriorating from year to year, and it is high time serious study was made of the causes, the effects and the required remedies for the solution of that nation-wide problem;

Therefore the local employment bureau of Drummondville unanimously and respectfully requests the federal government to take immediate and vigorous action to correct the present situation;

(1) To act on the recommendations made to the government by the employers' and employees' associations with regard to our export and import problems;

(2) To appoint a proper commission to analyse the problem and to suggest the means of bringing about a change in the economic situation of our country in the near future, more particularly in respect of textiles.

Mr. Chairman, during this session, some hon. members from the eastern towships have dealt with the matter of textile products. The hon. member for Sherbrooke (Mr. Allard), in particular, made some recommendations. He did make urgent recommendations during the 1958 session, but the government had done nothing about it.

On behalf of the textile industries in my area, I ask hon. government members to make every possible effort, to use their prestige as well as of their ability, in helping the government to settle the problem of that industry which is vital for our district, and for the whole province of Quebec.

(Text):

Mr. McDonald (Hamilton South): May I ask the hon. member one question? Since this is the trade policy of his party, I wonder if he could tell me whether his party is in favour of raising the tariff to protect the textile industry?

(Translation):

Mr. Boulanger: I am happy to answer the hon. member for Hamilton South and to tell him that it is not up to us, who are members of the opposition to assume the responsibilities which should be taken in this respect. It is up to the government to fulfil promises it made in 1958. The candidates and Conservative members stated that they knew the remedies which would help the textile industry in 1958; then, all we ask of them today is to apply the suggested remedies.

(Text):

Mr. Horner (Jasper-Edson): Mr. Chairman, we have witnessed an amazing revelation this afternoon. We have heard two speeches from the Liberal party which are without doubt the most dismal exposition of Liberal policy that I have ever heard. We have heard a bull-headed speech from the hon. member for Port Arthur. He went ahead and contradicted everything he said last session about what we should do. He then changed his views and said he was not a leader and could not state the best policy.

We have had no Liberal policy at all, and we have had no C.C.F. policy at all. It would appear that they have not been able to put anything forward. We had scholarly dissertations on the problems of trade from the hon. member for Ottawa West and the hon. member for Port Arthur. We have just finished hearing the best high tariff speech I have ever heard in this house. I hope the Sifton press in western Canada takes particular note of that speech.

I am very sorry, sir, that the two-headed free trader from Windsor is not in the house this afternoon. Certainly we should be given the benefit of knowing which of the two roads he has taken. On one occasion he is the best free trader this country has ever known, but when it comes to his home town industry he loses his free trade instincts almost immediately. We have seen him get up in this chamber twice in the same day, at one moment he is a free trader and the next moment he is a high protection man and we have to protect this automobile industry in his home town of Windsor. I admire his ability to stick up for his constituents, but certainly he should have a little bit of consistency, particularly since I have just finished reading an article in one of the maritime

papers which forecasts that he is going to lead the Liberal party next year.

I suggest that we in western Canada have had enough of glib-tongued Liberals who have been infiltrating boards and other organizations out there. We heard the hon. member for Swift Current-Maple Creek this afternoon. We have had enough of glib-tongued Liberals. We intend to keep the sincerity that has been shown by our present Prime Minister. We do not intend to see western Canada sold down the river as it has been sold for the last 25 years by a combination of the Liberal party and the Sifton press, and for no other reason. They have put forward great stories about free trade in western Canada, but they are not sincere in their presentations, nor are they making any presentations on behalf of the people of western Canada.

They talk about agriculture. We heard agriculture discussed by the hon. member for Port Arthur. Unfortunately for him, the hon. member for Ottawa West did not have too much to say; he was going around in circles. What about agriculture? There are many agricultural problems. We have heard the Leader of the Opposition and the hon. member for Essex East talk about this British free trade offer, but what they have not said and what has not been publicized enough is the fact that the British free trade offer was a manufacturing free trade offer which would exclude agricultural products. Let the hon. member for Essex East come to the west and say that we should have British free trade in manufactured products and leave out agricultural products.

The hon. member for Port Arthur spoke about what is going to happen to our trade with the outer seven. He should know that agricultural products in the main are excluded from the agreements of the outer seven. He is a man who maintains that he is an expert as an individual M.P. in this house. I suggest that he should go back and do a little further studying, particularly with regard to trade in agricultural products.

We need, and we have been given leadership by the Minister of Trade and Commerce and the Minister of Finance. Reference was made to what is happening in Europe, and here the hon. member for Port Arthur should do a little studying on how this inner six came about. If he did, he would realize immediately that this is a political ambition of the United States. He should do more reading in those little books he had there, and a little further study on the matter. Then he would realize that we are being given better leadership in Canada right now than the United States are getting in their endeavours to recapture their lost markets. I had the privilege of meeting and talking with people in the United States who were vitally concerned about this matter.

Now, Mr. Chairman, I would like to bring this up, because the hon. member for Ottawa West and the hon. member for Drummond-Arthabaska made some passing reference to it. It is the question of manufacturing automobiles in Canada. Where does the blame lie for the failure of the automobile manufacturing industry in Canada? It lies right with the management of these automobile companies, and the trade unions. That is where the blame lies. They should not try to pass it off on this government.

The hon. member for Port Arthur made one sensible suggestion. He wanted to see the Canadian Labour Congress do a little more. He did not go far enough. We want to see our Canadian trade unions become Canadianized, move their headquarters back into Canada and move their funds into Canada. To do that would help our industries. One of the ways they could have helped was by advising the management of the automobile industry. Everybody else in the streets could see it coming. We did not want the longer and flashier cars; we wanted something in which we could get around; we wanted transportation, but they were not supplying it. This goes back to the failure of the trade unions and to the management, in the automobile industry, and there the blame lies, and only there. The government is not supposed to go out and lead these people by the hand.

Then, Mr. Chairman, I want to come to something much nearer home as far as I am concerned. The hon. member for Ottawa West had the nerve to say something with regard to gas and oil. Where is the Liberal policy on gas and oil? It is down the drain, and has been for years. I have not heard one realistic speech from the Liberal party on gas and oil since 1958, when I came to this house; not one. To say that this government procrastinated and delayed in regard to the oil and gas industry is a complete untruth. Nothing is further from the truth, and that was absolute nonsense that he was spouting. What about the oil and gas industry? Because of this government, because of the Borden commission, because we went about it systematically, we did not delay for one minute the export of gas from this country. Anybody who studies the situation with regard to the gas industry would realize that. This was not delayed, but it gave to Canada stability in our oil industry; it gave us a program to work on. Only yesterday the United States authorized a second large group of gas import permits for California, Oregon and the southwest United States. This, Mr. Chairman, is going to mean a major capital

expansion program in the province of Alberta which will spread over into the province of British Columbia, to the tune of $400 million within the next year and a half.

What was the Liberal gas policy? The Liberal policy was that we could not export any gas. I have not heard any other policy, and that is the one the Liberals are now advocating, that we should not export any gas. Yet we are to have the benefit of $400 million in capital construction because of this one step. I am happy to say that a substantial amount of that construction will be taking place in my constituency.

We will move on, Mr. Chairman, to oil. Where is their policy on oil? What are they going to do with oil? Where are these free traders of the country? Free traders down the drain, and the Sifton press along with them. We have an oil industry in Alberta which is producing at 55 per cent or less of capacity, yet these people are talking about free trade. I would ask them about Quebec. We can, on an equitable basis, put oil into the Montreal area. Any time we are given the protection we can do so at no cost to the residents of Quebec. This rumour which has been spread around by the Liberal party primarily is to the effect that if we build a pipe line to Montreal the people in Quebec will have to pay higher prices for their gasoline and petroleum products, which is absolute nonsense and a betrayal of western Canada again as they have betrayed us over the years. We are 20 years behind because of the Liberal party and for no other reason.

Then the hon. member for Drummond-Arthabaska talked about Japan. He said our imports from Japan went up by about 30 per cent but he did not mention that our exports to Japan went up 40 per cent and that most of these exports came from western Canada. I am a little tired of listening to this two-headed monster over here who will do anything to gain a vote and who has spread rumours around western Canada. They have been supported by the Sifton press and the Wesson press to sell Saskatchewan, Manitoba and Alberta down the river again. It will be a sorry day for western Canada if the Liberals ever regain power in this country.

The hon. member for Port Arthur says that he has nine pulp mills in his area. I have only one but I do know that one pulp mill is very grateful to the Minister of Finance and his budget for the effect of the exchange on the dollar because it has made a great difference to the lumber people who are now able to get back into the United States market.

As I have said, we have heard no statement of policy at all on the part of the Liberal party this afternoon and we certainly have not had anything from the C.C.F. I can understand the position of the C.C.F. because they are having a convention next week, and if the hon. member for Port Arthur did what he told the rest of us to do, where would he be? He would be in a rather silly looking situation.

There is one other important problem I want to speak on for a moment and it has to do with oilseeds, and particularly with rapeseed oil. I take nothing from the hon. member for Humboldt-Melfort who initiated the action on rapeseed and has done everything in this house to get it going; and two or three weeks ago we saw the amazing spectacle of the hon. member for Assiniboia running around trying to jump on the band wagon. Where was he when this case was being presented to the board of transport commissioners?

The hon. member for Assiniboia did not even know what rapeseed was. He has been spreading other stories in Canada about the decison of the board of transport commissioners, and I think it should be put on the record so all can see exactly what the position was. As I understand it, two of the members of the board said that it was a grain within the meaning of the act and should be given Crowsnest pass statutory rates. The chairman of the board said no, that it was a grain, but not within the meaning of the 1925 statute. So we have a point of law which has to be settled and that is why the cabinet cannot act. It cannot act until such time as the Supreme Court of Canada has decided this point of law. Then the cabinet can act. So let us get that straight, especially the hon. member for Assiniboia and the hon. member for Essex East.

Now I want to say a few words with regard to rapeseed oil because each year we import into Canada about $56 million worth of oilseeds. I am talking of edible oilseeds and I exclude flax seed oil. Primarily these imports consist of soybean oil, palm oil and cottonseed oil. They are the major ones but there is also a certain amount of corn oil being imported as well. For the record, rapeseed oil is as good an oil for all the purposes for which vegetable oils are used as any of these other oils. Some propaganda has been floated around in the quasi-medical field that corn oil was the last ditch in preventing arteriosclerosis or hardening of the arteries and coronary heart disease. That is not a fact and the advertising which the manufacturers of corn oil margarine were starting in the United States had to be withdrawn because of provisions in the food and drug act in the United States. I understand that

the food and drugs people in Canada are going to consider this question.

Although it is rather a detailed chemical explanation, rapeseed oil is every bit as good as corn oil medically, scientifically or otherwise. I would hope that our trade commissioners and the Department of Trade and Commerce will give to this fledgling industry and thus to our western agriculture a solution for diversification to rapeseed and will give their support to every measure which will help promote the use of rapeseed oil, and also sunflower seed oil which we also grow in Canada, and enable them to be used for purposes for which other vegetable oils are used.

Those are the few things I wanted to put on the record. I am getting a little tired, as I have said, of the Sifton press and the Wesson press in western Canada promoting this great idea of the Liberal free trade nonsense. We have heard such nonsense from the hon. member for Drummond-Arthabaska and the hon. member for Essex East, who runs off in one direction one day and in another direction the next, depending who he is speaking to in the galleries or at home. I would suggest to him that he look at this very closely, and if he wants to be honest he will readily admit that we have never had a government in Canada which has done more for our trade than the present one.

Mr. Badanai: Mr. Chairman, the prosperity of Canada is undoubtedly coupled and measured by the amount of business we do with other nations. We cannot live and prosper without foreign trade. We must sell to other countries the products of our great forests, the iron ore, the nickel and the copper of our mines, the grain from our farms and the fish from our lakes and oceans. We must therefore be in a position to bargain with other countries, countries that need and want these products. Indeed, there are signposts all over the world which indicate the desire for the goods we produce, but somehow we seem to have lost the initiative in trade and we are slipping in world markets.

I think one of the reasons for the deficiencies in trade with other nations is the protectionist tendency of our government. The tariff on woollens is a shining example of a bad calculation which has increased the cost of clothing to the Canadian consumer. Take the case of the Australian trade agreement which, according to the publication *The Economist,* was threatened because of the Canadian government's insistence on protecting a handful of Canadian sheep raisers and therefore tariff negotiations are going to be clouded by the government's reluctance to make a dent in its own protection.

No nation has ever enriched itself by putting up barriers against trade or instituting high tariffs. The possible exception is the United States, but they had a sufficient consuming power within their own borders to ensure their prosperity. We sadly lack population and for several generations to come we will not be able to afford the luxury of high tariffs.

The Leader of the Official Opposition has on many occasions suggested that consideration and study should be given to a North Atlantic free trade area with a view to achieving tariff reductions among its members, in stages and not necessarily all at once, when for practical purposes that could not be achieved immediately in one jump. Ten years ago he made a statement to the effect that the time was ripe for Canada to explore the possible advantages of a free trade association of the North Atlantic nations, a fulfilment of the economic vision of NATO, and he emphasized his thought with these words: "No vision less than this will do". No one in this house can successfully deny today that these words so eloquently expressed in 1950 are even more appropriate today than they were 10 years ago.

I do not wish to pretend to instruct the experts in the civil service for whom I have the highest regard, but it does seem to me that a study could be made of the practices which have been successfully adopted by western European countries. The countries of western Europe have been remarkably successful in selling all over the world, including to the nations of the communist blocs of Europe and Asia.

It should be obvious to everyone that 18 million people cannot consume more than a fraction of the wheat, pulp and paper products, metals and fishery products which we produce and that unless a more vigorous immigration policy is adopted several decades will pass before we can smugly sit back and consume what we produce.

Protection by means of quotas and tariffs can only provide a very temporary and very small level of prosperity for a very few in Canada. This relief will benefit only a few thousand Canadians while the rest of the Canadian population would suffer because tariffs will always produce a higher cost of living. Let us take a leaf from Britain whose international trade experience and know-how is vastly superior than that of our government. The government of that country announced recently that it will consider joining two of western Europe's economic organizations. The impact of this action on the part of Britain may be a little hard

to estimate at present, but it should give concern to Canada because our exports to Britain in 1959 amounted to nearly $800 million. It is true that a part of this $800 million was due to commonwealth preference. What would happen if Britain joined the European market and abandoned the preference? This is something to worry about.

Professor Walter Hallstein, president of the commission of the European economic community, speaking to the committee of chambers of commerce and of common markets in Great Britain last February, as reported in the April issue of the NATO letter said, and I quote:

> Trade policy is of enormous importance, not only to ourselves and our community but also to our partners in Europe, in the North Atlantic area, and in the developing regions of the world. I was very struck, a few weeks ago, by a statement made by the British president of the board of trade when he was speaking in New York. Mr. Maudling had occasion to underline the significance of trade policy—and of a liberal trade policy—for the peaceful development of our countries and for their hopes of competitive co-existence with the communist dominated nations. "The objective of our trade policies", he said, "must be twofold; first, to strengthen our own economies, and secondly, to use this economic strength to help others."

Further on he continued:

> In a world which is rapidly shrinking, it seems to me vital that while we are striving to avoid in Europe the mistakes which were made by past generations, we must above all not repeat those same mistakes on the wider scale of our Atlantic trade relations. During the past 30 years, American trade policy has undergone a remarkable evolution in the direction of liberalization and multilateralization; and it is in the interest of us all, that this evolution should continue. Our own policy must be liberal, and it must be such as to enable others to continue in liberal policies. It is very important, at this stage, when America is recovering still from a short but sharp recession, and when many people are worried about the state of her reserves situation, that we in Europe give no encouragement to those who demand more protection for her industries and her currency. I am very glad to say that both the European community and the United Kingdom have accepted the famous proposals made by Mr. Dillon for a substantial reduction of tariff barriers to be negotiated in GATT. This in itself will have the effect of further reducing the external tariff of the European community, and we have even proposed that this round of negotiations be followed by a further round to make a real and continuing attack upon trade barriers in the free world as a whole.

While there may be instances where some protection is necessary to give an infant industry a start, I regard tariffs as a protection against progress; they only weaken industry to the point of delaying necessary changes to meet competition which in the end are bound to be made soon or later.

The interprovincial farm union council have also expressed themselves in terms of favouring the free trade offer made by Britain two years ago. This may not be feasible now unless we join Britain in the free trade area and the Scandinavian countries of the outer seven. However, Canada could possibly become a willing negotiator between the two blocs and thus achieve a wider free trade movement with tariffs and quota reduced progressively in order to allow our industries to adapt themselves to a new trade climate which in the end would be beneficial to all concerned.

Here I would like to put on the record a resolution by the Manitoba federation of Liberal women passed at their last annual meeting. It reads:

> Whereas Canada is dependent upon the export market for one quarter to one third of her national income;
>
> Whereas tariffs raise prices of essential consumer goods, and
>
> Whereas high tariffs restrict trade and tend to impair goodwill among nations,
>
> Therefore be it resolved that the Manitoba federation of Liberal women in annual meeting assembled being of the opinion that increases in tariffs are harmful to Canada because of her need to export goods and services, urges the government of Canada to reduce rather than increase our present tariffs.

Mr. Pallett: Would the hon. member permit a question. Does the hon. member agree with that resolution?

Mr. Badanai: Yes, 100 per cent. It is being widely reported that sales of surplus food to Europe which have gone on since world war II are taken over from Canada by French wheat, Dutch dairy and Danish bacon products. Sales of raw materials are lumber from Scandinavia, uranium from the Congo and coal from France.

The question is, what is Canada's trade policy? Are we going to stand idly by when we see markets which were once considered Canada's own preserves being invaded by the more aggressive selling policies of other nations? Until three years ago Canada was always in the forefront of the world wide effort to reduce barriers to trade. I fear that we no longer occupy that position. I submit that the government take steps to return to that position before other essential export markets are diminished or lost. May I repeat what every schoolboy understands, that with every tariff increase an increase in living and production costs ensues.

A very significant explanation of an unfavourable trade balance is one furnished by an editorial in the *Gazette* of July 12. It is a simple illustration that trade deficits mean also a deficit in many jobs. I quote:

> Unemployment, of course, has various causes. But one of the causes is seen in the trading deficit. For the deficits do not show merely that Canadians bought more abroad than they were able to sell; it means that they helped to keep people

in other countries in employment, while they helped to put people in their own country out of employment.

Canada must increase the volume of her exports. But one kind of export is very undesirable; it is the export of jobs. It has been suggested that if a job had some sort of physical shape—if it was, say, the size of a telephone booth—every time that Canadians went into trading deficits they would be exporting so many jobs. Big orders, or many smaller orders together, might make up quite a shipload.

The whole matter could be made real if Canadians could go down to their harbour fronts and see these jobs, each the size of a telephone booth, being picked up and carried on board to be sent away. All this would be taking place before their eyes while hundreds of thousands of Canadians need jobs at home.

It would certainly make those deficit figures more vivid if they could be thought of in this way. An adverse balance of trade is not an adverse balance of trading dollars; it is an adverse balance of jobs. It is not only a matter of giving work to the Canadian unemployed, important as that certainly is, but whenever anyone has a job in Canada, all Canadians benefit. By working the worker makes work for others. He helps increase the demands for goods and services and he helps share the tax load. Whenever jobs are shipped abroad Canada ships away those things it needs most. No asset is as precious as a job, to the individual or to the nation.

Are we doing enough to encourage manufacturing of the things that should be considered essential Canadian products? I should like to point out that most of our souvenirs of Canada which are usually purchased by tourists are made in the United States or in Japan. Consider a tourist entering Canada for a holiday and while here going shopping for souvenirs to take home to his family and friends. What does he buy? Indian dolls, Indian heads carved in wood and images of the Royal Canadian Mounted Police. Do they bear the stamp "made in Canada"? Not at all. The stamp reads "made in Japan". Souvenirs should be made of products from the countries they are sold in, made by the people of that country. To be worth calling them Canadian souvenirs, an industry could be built here. To be successful it might require a little encouragement from the Department of Trade and Commerce.

The minister made reference to the automobile industry about which I want to say a word or two. The impression has been created that the Canadian automobile industry is sick and is fast deteriorating. Such an assumption is erroneous and nothing could be further from the truth. The industry employs some 50,000 workers and has a production value of close to $1½ billion. It is true that the imported small cars have taken a good slice of the car market and I presume that because of the inroad made by the small European car in the Canadian market the government has appointed Dean Bladen to investigate the situation. We wish him well. I am sure that the professor, who is just as qualified as any one can be to look into the economic problems of the industry in general, will now try to find a means to improve the competitive position of the Canadian automobile manufacturers. Let us hope that the distinguished investigator will come up with a satisfactory answer.

Our Canadian manufacturers are now in the process of changing over to new models and the plants will soon be in production of 1961 models. I have so much faith in the ability of their executives that I for one have no doubt that in the end the answer will be provided not by professors but by those whose energy and know-how have built up one of the major industries and employers of labour in this country, and whose faith in the destiny of Canada has never flagged.

Within a month or two the 1961 Canadian manufactured automobiles will make their appearance on the streets and highways of Canada, and I recommend that prospective purchasers of motor cars take a look at these Canadian creations before buying any automobile. I am confident that the verdict will be an improvement in the role of Canadian-made cars. If the government really wants to help the industry, it should consider the immediate removal of the 7½ per cent excise tax on motor cars.

Mr. Martin (Essex East): Hear, hear; long overdue.

Mr. Badanai: My opinion is that the elimination of this obnoxious tax would do more to revive the industry than any other single government action, and I will be very much surprised if the one-man royal commission does not make the removal of the excise tax on motor cars one of its first recommendations.

Mr. Smith (Lincoln): Mr. Chairman, I do not intend to have much to say at this time. I think I have expressed my views many times in connection with trade, tariffs and quotas, but at this time I should like to ask the Minister of Trade and Commerce how his department arrives at fair market values for import and export purposes.

Mr. Churchill: May I tell the hon. member that that is determined by the hon. Minister of National Revenue.

Mr. Smith (Lincoln): That may be but I should like to finish my remarks and the minister can then answer. I do not wish to refer to figures too much but I have some

here in connection with the importation of electronic tubes. I do not wish to appear as being opposed to Japanese imports but in some respects I do not think the figures used for imports and exports do justice to our country.

I understand that the declared value of electronic tubes, the value that is accepted by Canada for import purposes, is 31 cents apiece. Yet figures have been made available by the Japanese minister of international trade and industry indicating a value of 60 cents apiece. There is a vast difference between the figure we are apparently using and the figure representing the actual cost in Japan. We apparently use the figure of 31 cents and the actual cost in Japan is something like 60 cents. I also have a figure here supplied by the electronics industry of Canada whose representatives spent four or five months in Japan going into the matter and who came up with a figure of 60.3 cents. Therefore the minister can see that this is a matter which should receive serious consideration.

Perhaps someone may say, what does it prove if the figures are different? I would point out that we are going through a period when foreign trade is most competitive and we hear continually that Japan is buying much more from Canada than we buy from that country. If these figures are correct and we are completely out of line with respect to our valuation of goods that we purchase from Japan, then it may be that on the basis of using correct figures we are buying more from Japan than that country is buying from us.

Another matter I should like to bring to the attention of the minister concerns goods shipped in bulk from Japan to the United States where they are boxed for merchandising and then transshipped into Canada. I have followed this matter through with the Department of National Revenue and I find that even though the goods are manufactured in Japan and transshipped from the United States into Canada they enter Canada as exports from the United States, not exports from Japan. Therefore, this is another instance where the figures we apparently use are completely out of line.

The thought behind my remarks at this time is that in our negotiations with Japan we are negotiating on the basis of figures that do not do justice to this country. If the valuation of imports from Japan was brought up to where it should be the Department of Trade and Commerce would be in a much better bargaining position because it seems to be a fact today that in order to sell more of our wheat we have to purchase more goods. If these figures were corrected I believe it would put the minister in a much better position when he sits down at the bargaining table to negotiate with the Japanese government.

Now that a Canadian team has gone to Europe to take part in the GATT negotiations I should like to point out to the minister that this is a very important matter to the riding I represent because we have a large number of secondary industries which are suffering considerably at the present time. When these negotiations are being conducted I hope the interests of our secondary industries will be taken into consideration most seriously because there is no use closing our eyes to the facts. We have seen the textile industry almost disappear. The small tool and hardware industry is also going by the boards and unless something is done at this time I think conditions will gradually get worse.

I agree with what some hon. members have said in connection with the GATT agreements. I sent to the United States and got the books that were mentioned as costing something like 30 cents each. To me they all prove that the United States is going into the GATT agreements on a much better footing than we are because in our case it seems that the whole matter of negotiation is left to civil servants. It would seem that it is going to be a matter of taking a little bit off here and a little bit off there and our manufacturers do not know what is going to happen. They do not know whether they are going to lose or whether they are going to gain. I hope the Minister of Trade and Comerce will take that into consideration and try to bring about a better deal under GATT than we have had in the past.

(Translation):

Mr. Bourque: Mr. Chairman, I had no intention of taking part in this debate, but seeing the unfair competition to which the graphic arts industries are now subjected by some foreign countries, I felt it my duty to call the attention of the Minister of Trade and Commerce (Mr. Churchill) to the causes of the present difficulties of the graphic arts industries in Canada.

(Text):

At the present time the Canadian graphic arts industries are going through a great period of depression. They are facing the greatest competition imaginable from foreign countries. On June 21, 1960 the Minister of Trade and Commerce received a letter from the graphic arts industries association which called his attention to a circular letter issued in Washington informing the United States printing and publishing industry of that country's intention to seek tariff concessions from other countries, including Canada. On June 8, 1960 Mr. David Maclellan, general manager of E.P.A. and of the graphic arts industries

association, a national body embracing all employing printers' organizations from coast to coast, gave an address to the employing printers' association of Montreal entitled "Printing—Canada's Biggest Employer in Manufacturing".

The Canadian graphic arts industries association is a national body embracing all employing printers' organizations from coast to coast, and I have taken most of my information from this brief and from this address. Our small population supports the greatest volume of imported printing of any country in the world. Sixty per cent of United States printing imports are absorbed by Canada and only 5 per cent of our printing exports are absorbed by the United States. We absorb 60 per cent of printing exports manufactured by 170 million people and they only absorb 5 per cent of printed material manufactured by 17 million people. A fair illustration of this unfair and unjust trade imbalance in cash and in bulk is the comparison that for every rabbit we ship to the United States we have to purchase 12 elephants. This may seem like an exaggerated comparison, but I firmly believe that that is what is taking place.

On the United States side the lithographers and printers national association reports that they are regularly watching the import quotas on lithographic and printed products from Canada and other countries. I believe it is the intention of the United States authorities to seek further tariff concessions on the following printing products: dictionaries and encyclopaedias; catalogues, pamphlets and booklets, geographic maps and charts, including atlases, newspapers, advertising matter, playing cards and playing card sheets, bank notes, bonds, cheques, pictures and tickets.

At the present time the Canadian printing industry is subjected to more foreign competition, largely from the United States, than it can comfortably support and this volume is growing rapidly as the department's statistics will show. This practically uncontrolled flow of printed matter from foreign countries, and principally from the United States as I have said previously, is having a serious effect on the employment situation in Canada. It is the cause of much unemployment. Our small population supports the greatest volume of imported printing of any country in the world. Our newsstands, bookstores and postal channels are flooded with foreign printed matter on an unprecedented scale.

Does the minister know that Japan, with printing costs almost half those in the United States and Canada, is preparing to invade the Canadian market and this at a time when our newsstands, bookstores and postal channels are flooded with printed matter on an unprecedented scale, as I have said previously. The printing industry is the largest employer among manufacturing industries in Canada. This department should be most particularly concerned with the preservation and development of business and industry. It should be interested in the employment situation in Canada. I have here a few excerpts and figures from an address by Mr. David Maclellan, before a printing group on June 8, 1960, one of which is as follows:

> The printing industry now spends about $400 million in wages and salaries, about $500 million a year on materials and outside services, as well as something like $65 million a year on machinery, equipment, building construction and repairs, etc.
>
> If a magician removed all the printing from labels and packages in our grocery stores, the food industry and our women too would be at a total loss. A naked package tells you nothing and offers no temptations.

I believe the minister should give serious consideration to the fate of the graphic arts industry in Canada, an industry that is responsible for an expenditure of approximately $1 billion a year and on which depends the livelihood, directly or indirectly, of approximately one million persons. The graphic arts industry, if it is to be correctly understood and appreciated in the nation's economy, can only be accurately described as the first and most indispensable manufacturing industry in Canada. It is a most competitive industry. This may be unfortunate in some ways, but it is a great thing for the country. The graphic arts are first among Canadian manufacturing industries in employment and fourth in dollar value of production. The graphic arts industry employs more creative people and more skilled craftsmen than any other Canadian industry; pays the highest wages of any non-seasonal manufacturing industry and provides the most favourable working conditions.

I should like to talk about the 20 per cent tax placed on United States magazines by the previous government and removed by this government. I know I would be out of order in doing so, so I will not insist. However, I believe I can say that as a result of undue competition from United States publications four national Canadian periodicals were forced out of business in the last 10 years. Dozens of others have had to reduce their frequency of publication or otherwise curtail their usefulness. In 1951 Canadian national periodicals had attained a total combined circulation of 42 million copies per year, while the circulation of United States periodicals was more than 86 million. In 1957 the circulation of Canadian magazines had reached 45.6 million and the circulation of United States magazines in Canada 154

million. I do not know how the circulation figures compare in 1960, now that the tax on United States magazines has been repealed. For the first quarter of 1960 I believe more than 43 per cent of all dollars spent on advertising in Canadian magazines was being spent in two United States magazines. It is a most unfair competition, and I am wondering how the unemployed feel about this favouritism which in a large measure is the cause of a good part of the unemployment situation in Canada.

Mr. Rapp: Mr. Chairman, I welcome this opportunity to say a few words on the estimates of the Department of Trade and Commerce. Very good speeches have been delivered on this subject. I was particularly interested in the speech delivered by the hon. member for Jasper-Edson. Although he is by profession a doctor of medicine, he has a tremendous knowledge of the agricultural industry; particularly on the subject of rapeseed, which he so eloquently described in his speech. It is not my intention to be repetitious and cover the same ground regarding the question of rapeseed. But I would like to add some information to that which has been put on the record, information which has not yet been given.

The western rapeseed producer has done a tremendous job. As one example, this year he has taken one million acres out of the production of wheat and has planted it with rapeseed. These one million acres of rapeseed made a saving to this country, because the Department of Trade and Commerce does not need to worry about how it is going to sell 35 million bushels of wheat; also the treasury does not need to pay storage charges on 35 million bushels which amount to somewhere between 10 and 16 cents per bushel, depending on the year and the amount of grain in storage.

However, there is one thing about this grain that causes great concern to the western rapeseed producer, and that is the freight charge. You are all aware that at the present time, due to the fact that it does not come under the statutory Crowsnest pass freight rate, the producer has to pay 80 cents per hundredweight on rapeseed, while for other grain like wheat, oats, rye and flax the statutory rate is approximately 23½ cents per hundredweight. This all came about under the previous government. During their tenure of office they increased the freight rate by something like 150 per cent. Although it may be said that nothing has been done at the present time, let me put this on the record.

Had we followed the same policy that was adopted by the previous government when it allowed freight charges to go up we would not be paying only 80 cents today for rapeseed, we would be paying $1.20 per hundredweight for it. However, the Canadian producer must pay approximately $5 per acre more in freight charges than if he planted and produced wheat, oats or barley. We produce approximately 1,000 pounds per acre, and since a farmer's average crop is approximately 100 acres, at that rate of $5 per acre he is forced to subsidize the Canadian railroads to the extent of approximately $500 a year. This amounts to approximately $5 million, and I would like to stress this point very much; that the Canadian railroads are filling their coffers with these $5 million per year at the expense of the western rapeseed producers.

But that is not the only thing that is of great concern to us. We hear so much lately about the Russian deal that was made, and how we would be able to sell $2 worth of wheat for every dollar's worth that Russia would buy. But if we had a chance to sell our rapeseed crop every year at a reasonable price we would be able to take out, not only one million acres a year, we would be able to plant about two million or three million acres of rapeseed.

The information that I have is that there is a market available in the world for rapeseed, and this year the prospects are that we will be able to sell at least two thirds of our rapeseed production. Of course we do not know what price we will be getting. However, we expect that it is not going to be down to the same price that we received in 1958. Consequently, the production of this valuable grain went down approximately 200,000 acres a year.

It was mentioned that the export potential of this grain is very promising. But there is another thing that we must be concerned with, and that is supplying the local market with edible oilseeds. At the present time many of the oil-bearing seeds come in from the United States duty free. This came about when a few years ago Canada entered into an agreement with the United States under GATT to allow oil-bearing seeds to come into this country duty free. Of course, it must be said that at that time and perhaps even since then there was a shortage of edible oilseeds in this country But this agreement has outlived its usefulness and must be changed.

I understand there is going to be a delegation from Canada attending the conference of Geneva to take part in the revision of the GATT agreement. I would like to stress this point and bring it to the attention of the minister. I would ask the minister to make efforts to see that the GATT agreement with the United States is changed because, as I said, there are great possibilities for planting

rapeseed in this country; not only for the export market, but also for the local market.

In 1959 nine tenths of the oil that went into the production of products requiring edible oil was imported from the United States and only one tenth was oil obtained from Canadian seed. This has been brought to the attention of the minister through other departments, by myself and other members from the west and particularly, as I mentioned earlier in my speech, by the hon. member for Jasper-Edson. If serious and immediate attention were given to this matter I am sure that in the future the rapeseed producer in the west will do a very valuable job as far as reducing the wheat surplus is concerned and producing grain that has every chance in the world of being a cash product.

Mr. Carter: Mr. Chairman, Canadians live by foreign trade. Since approximately one quarter of our jobs depend on foreign trade, it is obvious that trade policies must affect every Canadian. My own province of Newfoundland is perhaps more sensitive to trade policies than any other part of Canada, because we export everything that we produce, while everything that we consume has to be brought into the province from outside. Our trading position in the foreign markets is a matter of concern to all of us. We seem to have got ourselves into a position where we are damned if we do, and we are damned if we don't.

Less protection than we have now will affect local manufacturers and, they claim, will increase and aggravate our unemployment problem, which is already a very serious one. On the other hand, more protection will affect our exporters and make it difficult for them to export and will raise the possibility of retaliation in our traditional markets. That too will cause unemployment. So there seems to be no way of avoiding unemployment in either of these courses.

I do not think there is much point in looking for a scapegoat for this situation or in trying to fix the blame. Certainly to whatever extent the government has pursued unwise or wrong policies and to the extent that they have done things they should not have done or have left undone things which they ought to have done they must bear the blame. But it seems to me that a large part of the problem arises from the exercise by a free people of a free choice in their purchases both in the domestic and foreign markets. No government can interfere with the exercise of that free choice without taking sides either against the interests of the consumer or against the interests of the manufacturer.

So there is no easy solution to this problem. I think we must use common sense and be prepared to make painful decisions if they are necessary. We should not shrink from our duty in that regard. I think we must somehow come to some decision as to what industries in our country are essential and either provide subsidies or find some means of allowing these industries to continue in existence. If other industries are less essential and not in the interests of the economy as a whole, I think we ought not to permit them to exist by increasing tariff protection. That will involve very painful decisions, but I think they are decisions we must face.

Besides this there are a number of avenues which might be explored and one very obvious avenue is to increase our population. I think we have been far too timid in our immigration policies and have lost sight of the fact that the more people we have in Canada the bigger will be our domestic market. And the domestic market is the best market for Canada because it is the only market we can control. When we consider that last year $4.25 billion worth of manufactured goods were brought into Canada we see how important this domestic market is. At the same time the fact that that huge sum of money was spent by Canadians on foreign goods should be a challenge to our manufacturers and one which they should meet without taking the line of least resistance and running to the government for protection whenever the going gets a bit rough.

A second avenue of approach would be to overhaul and improve our long term trading machinery. This involves long term credits and export insurance. There are many places where Canadian goods can compete in foreign markets, yet we lose out to other competitors who do not have a better price but who do have a better credit arrangement which is more suitable to the countries who need and purchase goods which we could otherwise supply.

Another place where I think we have fallen down very badly is in the matter of technical assistance. Here in Canada we have hardly developed enough technologists to supply our own needs, but Canada should be able to export technologists and be in a position to give technical aid and assistance to all these new countries which are coming into existence as well as to other countries which have a potential for becoming our customers. These countries I think we should help with foreign aid and technical assistance to the greatest possible extent.

One very obvious country to which this technical aid and assistance should be given is the British West Indies and the Caribbean countries which are right on our doorstep. Anything we can do to strengthen their economy will put them in a position to become a better market for Canada, and the

kind of friendly relationship we set up in doing that will stand us in good stead.

Nigeria is another country, a young country of 50 million people newly emerging and one of the countries of Africa which does have a stable government. We are losing out in Nigeria, I think, because Nigeria could become a consumer of Canadian flour. But our competitors in the United States have put up flour mills in Nigeria and they are using United States wheat to supply that market. Certainly Canada could have done and should have done the same thing long ago.

Brazil, Spain, and Portugal are three countries of special interest to my province because when Newfoundland was an independent country paddling her own canoe and looking after her own affairs these three countries were our traditional markets. We imported from them salt, oranges, wines and a number of other goods which we do not get now, and they were products of a much superior quality than those we get from our neighbour to the south.

Spain and Portugal are important to Newfoundland because they fish in our waters and produce fish which compete with us. But we are unable to compete with them because the subsidies which they get from their governments together with their low standards of living put them in the position where they can come all the way across the Atlantic and produce fish more cheaply than we can when this fish is right on our own doorstep. These people in Spain and Portugal are not satisfied with their standards of living. They want a better standard of living the same as we do, and I think Canada should make inquiries to see what we can do to help them achieve that. Certainly when their standards of living go up it will put us in a better competitive position with regard to our fish. Therefore let us get together with these countries and find out what technical aid and assistance we can give them and find out what other things we might do to help them strengthen their economy.

Spain and Italy have always been prime markets for salt cod, and to meet that market we have developed special cures of fish called the Spanish cure and the Italian cure. While exports of that quality of fish went up by 8 per cent last year, they are declining now and we are gravely concerned in Newfoundland as to what effect the common market tariffs will have upon our fish exports to those countries. We are all glad that these tariff averages have been deferred until January 1 but the time is going to come when we will have to face that problem, and we do hope that the minister and his department will do everything possible to see that our fish will not be prohibited from entering that market.

While the Spanish and Italian cured fish exports have come down, the West Indies cured fish exports have gone up. That could result, if we had a normal catch, in a flooding of that particular market with a corresponding reduction in price. I would ask the minister again to consider the placing of a premium on Spanish and Italian grade fish to ensure an increase in the production of that particular variety which is a special kind of light salted fish as compared with the heavy salted fish which is sold the West Indies. It is more profitable today for fishermen to salt their fish heavily because the more salt they use the more rebate they receive, and this offsets the extra trouble they must take to produce Spanish and Italian grades.

Before I sit down I want to say that we should do everything possible to maintain and increase our trade with Japan, not only because this is an important market for Canadian wheat and other products but also because Japan is the one bastion of democracy in Asia, and if that bastion were to disappear, Asia would likely disappear with it. If China—the manpower of China—could be combined with the industrial potential of Japan a most serious position would arise, and that is one of the main objectives of communist strategy in Asia.

Mr. Browne (St. John's West): What about the Philippines and Formosa?

Mr. Carter: The Philippines, certainly, but they do not have the same importance to communist strategy, because they are not the industrial nation that Japan is. Japan has to trade with somebody, either with the free world or with communist China. That is why the Kremlin is taking every possible means of trying to force Japan to trade with China and other communist countries. This is the worst thing that could happen for democracy, and we must bear this firmly in mind when we negotiate trade treaties with Japan.

Mr. Pearson: Before this vote is carried I should like to say a few words because of the importance of this subject of our foreign trade and domestic policy in the context of the minister's statement last evening. That statement, as has been pointed out by a good many speakers, was a very optimistic and rosy one, much more optimistic than statements we have received from other sources on our economic situation. If one compares the minister's statement last evening with certain other observations, for instance, on the part of the governor of the Bank of

Canada, he might be pardoned for thinking that we were speaking of different worlds of different Canadas.

The discussion this afternoon has ranged far and wide over the whole area of foreign trade, and that is understandable because of the importance of this subject to our economy. It is true there have been some encouraging developments in the early part of this year in the foreign trade picture as far as Canada is concerned. Our exports have gone up, and our imports have gone up. However, the improvement that is obvious from the earlier figures received a set-back in June which we all hope is only a reflection of a temporary decrease in our trade but which does underline the vulnerability of that foreign trade to world conditions and which emphasizes some of the dangers that face us at the present time.

Our vulnerability is largely, perhaps, in relation to that country with respect to which our trade is most important, that is, the United States of America. The objective of the government to divert a huge proportion of our trade from the United States to the United Kingdom has not been realized, and we remain dependent to an excessive degree on our trade with our neighbour. If there was a pause in the economic development of that country—and there are some indications of that at the present time—this would reflect itself at once in our economic situation. There are trends and developments in the United States at the present time which must give us some cause for anxiety—efforts to put obstacles in the way of our exports into that country, especially in the field of base metals. We should not forget that while our sales of base metals have gone up generally, there is one commodity, uranium, which bids fair to be reduced to practically nothing in the next few years even though at the present time it represents exports valued at $300 million.

Then there is the competition which we are experiencing from the United States in the disposal of our agricultural products, competition which is becoming increasingly difficult as the United States adopts measures to subsidize her agricultural exports in world markets. The effect of this is seen when we realize that while world trade in wheat has gone up over the last year or so, our proportion of that trade has gone down.

Then there is another thing which is quite rightly causing concern with regard to our position in world markets and that is our increasing costs of production. The minister had something to say about this last night when he was talking about Canada's position in a multilateral trading system. Since the end of the second world war that has been our objective, to bring about a multilateral trading system in the world in which our position would be strong. That has been the important objective to achieve. The minister, speaking about this subject last night, had this to say:

> The advent of this multilateral system and the realization of the advantages which might reasonably be expected from it was for many years frustrated by the prevalence of foreign exchange difficulties in many parts of the world. More recently, with the improvement in the world economy and financial conditions, the import controls which had been maintained by many other countries against our goods have been rapidly disappearing. That, of course, is something which we all welcome. As a result, Canadian exporters are for the first time since the war in a position to compete on equal terms in most markets with other most favoured nation suppliers.

In one sense that is no doubt true. They are in a position to compete on equal terms in the sense that the special obstacles in the way of their imports into these countries have been removed. Whether or not they will be in a position to compete on equal terms in other respects will depend on how we can maintain our competitive position in those markets by keeping our own cost of production down.

In any event, as the minister pointed out, the multilateral principle remains the basis of our world trading policy but that principle is under pressure these days. Some of those pressures are pretty obvious. That is one reason why the current and prospective GATT discussions at Geneva are going to be so very important at this time. The pressures I talked about on the multilateral trading system may come—indeed they have already come—from the development of these regional groupings concerning which more than one speaker in this debate has spoken; regional groupings and regional developments for trading purposes not only in Europe but in the western hemisphere.

The Paris meeting of a couple of weeks ago which was attended by my hon. friend the Minister of Finance was important in this connection because it represented another attempt—and I know the government has been continuing this effort over many months—to bring about a reconciliation of these European developments which are so important politically and economically and the multilateral principle which remains the basis of our world trading policy. We should support a move to bring about a reconciliation of that development with the interests of our own multilateral policy by assuring two things, that there will be an association of the United States and Canada with European developments and by doing our best to ensure that these developments will be on a general expansionist rather than restrictionist basis.

It was pointed out by my friend the hon. member for Ottawa West that the United States has taken a more active part in recent months in the effort to associate North America—the United States and Canada—with these developments. We can only hope that this new organization developing out of O.E.E.C. and on a broader basis than O.E.E.C. will do something in both the directions I mentioned, in making an Atlantic area rather than a European area the trading basis and in ensuring that if that is not done the European developments will not hurt our own exports any more than is absolutely necessary.

It is quite true that there are great difficulties in the way of the two European groupings coming together, the common market and the European free trade area but I know the government will have more information about this than is at my disposal. Some of these difficulties in recent weeks have begun to disappear and some progress has been made in the direction of the entry into the common market of the nations of the free trade area.

I studied, as no doubt the minister did, the debate in the British house of commons the other day on this subject. It seems to me that that debate while it did emphasize the difficulties in the way of British association with the common market, especially those difficulties which were derived from her commonwealth position, nevertheless there was a general feeling among members of all parties during the debate that those difficulties were now not so great that they could not be overcome.

There is an article on this subject in the July 30 issue of *The Economist* which perhaps members of the government concerned with these matters may have read. It underlines the feeling I got from reading the debate myself. Perhaps I may be permitted to quote one or two sentences from the article which is entitled "Honest Doubt". The article quotes Mr. Denis Healey, a leading member of the labour party, as saying toward the end of the debate:

> —there is no longer anybody in this house who believes it inconceivable that we should join the common market.

The editorial went on to say:

> The case for joining the six—

That is, the common market:

> —was strong—and some of the objections of two or three years ago "are less strong now than they seemed then."

That was referring to the remarks of Mr. Harold Wilson. Mr. Selwyn Lloyd who is now the chancellor of the exchequer in winding up this debate for the government, while he trotted out all the traditional and conventional arguments against association, according to *The Economist* said:

> —when these phrases were added up they amount to a refusal to be rushed, not much more.

The editorial went on to say, and this I think sums up the present position, that in a matter of such great importance to the United Kingdom only the government could take the decision to move. In the words of the editorial:

> Only the government can take the decision to move, and though it is edging closer it has still not been able to make up its mind. The commons did, however, make clear enough that, if and when the government does take the plunge, it will have no difficulty in carrying the house with it.

That is a very important conclusion to be reached by a magazine of such importance as *The Economist* based on a debate of this kind in the British house of commons. Therefore it becomes of the very greatest possible importance for the government to continue in the efforts it is making to ensure that if this development occurs it is not at our expense. When I say that I do not think that that need necessarily happen because while this European association—the two regional groupings that might get together—would of course mean an adjustment in our trade policies it might be the kind of adjustment by which we would gain freer access into a large trading area, indeed more than we would lose by our preferential position inside the United Kingdom. In any event I know that is the attitude the government has taken in the past. The situation was referred to last night by the minister when he said with respect to these European groupings:

> These groupings can develop in ways which will promise larger markets for Canadian goods—

That is the optimistic side of the question:

> —or, if they take a restrictive turn, our interests could be prejudiced. Our efforts are being directed to ensuring, so far as possible, that outward looking policies will be pursued which will allow us to continue the mutually advantageous trade relationships which have been developed up to this time.

We on this side wish the government well in any efforts it can take to ensure that this development takes place in Europe in that way, I repeat, however, what I have said so often in this chamber, that this European development will not be enough unless it eventually leads to something wider and deeper both politically and economically and that is the development of an Atlantic freer trade area.

Perhaps in this connection I might put on the record some very wise words of a man who was prime minister of Belgium not so many years ago and who was a great figure in European economic and trade matters. I

refer to Mr. Paul Van Zealand and the words he used when reporting on the Atlantic congress in London. He said this:

> These were some of the conclusions of the Atlantic congress. As you notice, every one of these observations leads to the same conclusion: that, in order to meet the actual requirements of the western world, the western world must solve its internal differences, use its imagination and form that economic Atlantic community which, to my mind, is the solution of our problems. It is the solution which will enable Europe at least to eliminate the differences between the common market and the free trade zone. It is the solution which will allow us to help the underdeveloped countries to help themselves, and finally, to achieve a better standard of living.

So much for the foreign trade situation, Mr. Chairman, and I know it has been a very cursory survey. The minister also had something to say about our domestic economic conditions, and he was again very rosy and optimistic on that subject. He said, as found on page 7671 of *Hansard*:

> During the past year economic activity in Canada has moved upward in line with expansionary conditions in the world at large. Canada's gross national product is running appreciably above the level of a year ago.

I doubt very much whether the figures, trends and indices of the last month or two would justify that optimistic conclusion. Applying this expansionary trend to the employment situation, the minister had this to say:

> Total employment in June and in the first six months of the current year was approximately 2 per cent above the corresponding period of 1959.

That, of course, is factually true but actually most misleading in terms of reflecting the situation that we face because, as we know and as has been put on the record so many times, while our employment has gone up—of course it has gone up; our population is going up—the fact is that over the period about which the minister is talking the number of new jobs created in this country did not equal the number of people coming into the labour force. It does not matter if we have an employment picture which shows a 2 per cent increase over the corresponding period of 1959 if we have a labour force which represents a greater increase than that over the same period because unless the one is above the other we are going to have unemployment. Therefore that particular statistic does not give me nearly as much comfort as it apparently gives to the minister.

The minister went on to give some other indications of what he considered to be these expansionist tendencies in our economy. As I read these in *Hansard* this morning I also read the monthly business analysis of Beckett Associates issued in August, 1960 and covering July of this year. These are reputable economic analysts. They have no particular axe to grind. They certainly have no political prejudices in this matter and I should think no economic prejudices. I should like to quote one or two paragraphs from their analysis covering July which give a rather different picture of the situation than that which was given last night by the minister. One paragraph reads as follows:

> The decline in the preliminary July figure for industrial common stock prices indicated the sharpest month-to-month drop of the current cycle. The continuing decline in this indicator has now erased all the gains of the past two years. The stock market holds out little prospect for a fall revival in general business.

While I would not wish to base my conclusions on the stock market exclusively, it is one indicator and there are a good many others. I might mention one or two others referred to in this report. Here is another paragraph:

> The central measures of Canadian business activity also remained on the downside in the most recent months. May showed three rising, four falling and two unchanged. The scope of contraction is estimated to have remained the same in July.

Here is another paragraph which has a very direct bearing on what the minister said last night about the increase in the gross national product:

> Available monthly data for the second quarter indicate the possibility of a decline of gross national product, with the weakness being widespread by sector but modest in magnitude.

Then, the conclusion of the report reads as follows:

> As the summer wears on, with below normal temperatures and below normal levels of business activity, the prospects for an early end to the contraction grow dimmer. Significant recoveries among the leading indicators which are, so far, conspicuous by their absence, must appear if Canadian business is not to end the year on a continuing down swing.

I mention these matters because both in the foreign trade field and in our domestic economic picture it is well to have the whole picture and to put it in perspective. I admit, as the minister said last night, that there have been some very encouraging developments in the foreign trade picture, though not in the last months for which we have the figures. I admit that there are elements of great strength in our domestic economy but anyone who studies the picture at this time, who studies the evidence, who studies the trends, must also admit that there are some very dangerous developments in connection with our economy and that all is not rosy in this economic garden.

We hope that the minister's optimistic predictions will be fulfilled. On the basis of the information we have in addition to that which the minister gave, we are worried that it may not be nearly as easy and comfortable

a picture as he would have us believe it is from his own statement last night. There are many other matters of detail which we will be discussing when we come to the other items but this seems to be all I need to say now on the general situation.

Mr. Churchill: Mr. Chairman, I have listened with a great deal of interest to those who have participated in the debate so far, and I gather that there is general agreement that conditions are reasonably good within the country and that our trade and commerce position is satisfactory. I did not sense any severe criticism of anything that is going on at the present time. However, the Leader of the Opposition was disturbed and disappointed because I was not gloomy, depressed and forlorn with regard to present conditions. He rejoices in words like "decrease", "decline" and "recession", looks around the corner with foreboding and is fearful of what may happen next month. Perhaps next year he will have some fear. These things bother him.

Mr. Pearson: Nothing bothers me.

Mr. Churchill: He wants people to be gloomy about the future. I have said nothing in the remarks I have made concerning Canada's foreign trade position or her internal economy that could be described as unusually optimistic or rosy and so on. It was in very restrained prose that I put forward the picture last night, and I am glad to hear from the Leader of the Opposition that he found time to read my speech this morning since he was not present to hear it.

The situation with regard to our foreign trade is good and is based, as I showed, on the statistics, not on any uncertain forecast. I put before the house the trade statistics and when we are living in a period when our foreign trade is on the increase and when 1960 will likely set a new record over 1959, why then spread gloom or be depressed? I do not see how it is possible for any minister of trade and commerce at any time in Canada's history to adopt an attitude of gloom. The whole nature of the Department of Trade and Commerce is forward looking. It is a department that is based on the growth and expansion of Canada and it takes a world-wide outlook. Consequently, it would be nothing less than stupid for a person representing the Department of Trade and Commerce constantly to be spreading fear about the future when the facts indicate that things are really going well for Canada and going well because we have the resources, the industrial establishments and a vigorous population in this country to continue the development of Canada.

Mr. Martin (Essex East): The governor of the Bank of Canada does not think so.

Mr. Churchill: A great many countries in the world look to this country with a great deal of admiration and some envy because of the fortunate position we occupy based on our location and resources. Therefore, I make no excuses whatever, and hon. members opposite are at liberty to pretend that I am being unusually optimistic. We have good grounds for confidence in Canada and in Canada's future. All the reports that have attempted to look into the future, five years, 10 or 20 years ahead, paint a picture of a developing Canada with great prospects for her people. It is on that basis that the Department of Trade and Commerce carries on its work.

The Leader of the Opposition expressed his usual fears, his usual anxiety, but had little upon which to base it. He talked about the vulnerability of our foreign trade. Of course, foreign trade is vulnerable if the international situation changes, as it can. He is worried about our dependency on our next door neighbour, the United States. This has bothered Canadians, generation after generation. We have been successful over the last three years in reducing that dependency. I gave the figures last night to indicate that in the last three years imports from that country have declined from 74 per cent of our total imports to 67 per cent at the present moment. The Leader of the Opposition talked about world trade in wheat having gone up and our proportion of it having gone down. This is a misconception with which I dealt in March when we had a rather lengthy discussion on the subject of wheat. It is a misconception which I think is in the mind of the hon. member for Swift Current-Maple Creek. I will give you the facts and figures dealing with commercial exports.

Mr. Pearson: Let us deal with all exports.

Mr. Churchill: Commercial exports are the wheat sold for cash. During the inter-war years from 1920 to 1939 Canada's percentage of the world trade in commercial wheat exports was 30.2 per cent and rose in 1958 to 35.7 per cent.

Mr. Pearson: What about total exports?

Mr. Churchill: There has been no decrease with regard to Canada's share of the world market in wheat, the total world wheat trade.

Mr. McIlraith: Will my hon. friend permit a question?

Mr. Churchill: I will just put this on the record and then the hon. member can ask the question. The total world wheat trade has grown from the inter-war years by 439

million bushels. This increase can be more than accounted for by concessional and political sales, primarily by the United States and Russia. The world commercial export markets for wheat have shown a slight decrease during the same period. Canadian commercial markets have increased from 30.2 per cent to at least 35.7 per cent of the total commercial world exports from the interwar years to 1958. This indicates that Canada continues to be a world leader in wheat sold for cash. Does the hon. member have a question now?

Mr. McIlraith: I wanted to ask the minister if he had the figures for the total exports of wheat.

Mr. Churchill: The total exports of wheat?

Mr. McIlraith: Yes, the minister gave them to us as they pertained to commercial sales of wheat, and I wondered if he had them for total sales.

Mr. Churchill: I was pointing out that the figures that are quoted in connection with world trade very frequently indicate commercial sales plus government programs for gifts or subsidies. In so far as the United States is concerned, although in this last crop year their trade in wheat was much larger than ours, over 70 per cent of it was in the nature of gifts,—

Mr. Pearson: That is still competition.

Mr. Churchill: —whereas our trade in wheat has been chiefly for cash.

Mr. McIlraith: I was not arguing that point. I was wondering if the minister had comparative figures available because it seems to me that United States disposal of wheat, plus their sales through usual commercial channels, presents something in the nature of a problem for us. If the minister had these figures available to put alongside the ones he has given it would perhaps help us to appreciate that problem and take the appropriate steps that may have to be taken over the years to help to meet it.

Mr. Churchill: Those figures will be produced in a few minutes by the officials. The Leader of the Opposition, I think, suggested that there was a problem, as did the hon. member for Ottawa West, in the competition we were facing as a result of the United States agricultural disposal program. It is only if these agricultural exports that are given away or given under a subsidized program interfere with the markets that Canada has occupied in the past or might have some thought of occupying in the future that there is any difficulty. At the present time there is very little interference from United States disposal operations in wheat with Canada's commercial markets. In fact, when we discovered a few years ago that they were interfering with our markets in Europe with barter proposals we asked them to withdraw those proposals and they did. They have not resumed them. Their very large gifts of wheat to India and the other countries of Asia, which are not normal commercial markets for Canada, have not interfered with our exports of wheat.

While I am on the wheat problem, I might just indicate what has happened during the last three years. Our exports of wheat during the last three crop years have run as follows: 320.3 million bushels in 1957-58; 249.1 million bushels in 1958-59; and the estimate for 1959-60 is 276.7 million bushels, making an average of the last three years of 297 million bushels compared with the average of the preceding years of 276 million bushels; the 10-year average, that is 1948-49 to 1957-58, 284.4 million bushels and the 30-year average was 252.6 million bushels. During the last three years, therefore, we have made substantial gains in the sales of wheat abroad, despite the competition that has come from other countries. This is a clear indication that the policy of the government, carried out by the wheat board and supported by those who are in the commercial grain trade has been successful. Our exports of wheat over the last three years have increased and make a better showing than the preceding period.

The hon. member for Ottawa West and the hon. member for Port Arthur followed somewhat the same line as that followed by the Leader of the Opposition in attempting to convey the idea that I was being unusually optimistic with regard to our trade picture. I have dealt with that, I hope, to their satisfaction.

There was some discussion of the question of the GATT conference coming up this September, and the suggestion on the part of the hon. member for Ottawa West and the hon. member for Port Arthur that the government was inactive in connection with this matter, while the United States was being much more active. It is the old, old story of suggesting that Canada is not playing its part and that some other country is doing something that is much more impressive. That is not the case at all. There has been just the same activity in Canada on the part of the government, the same interest on the part of business in Canada, as has been shown in the United States. But it has not received the same amount of publicity.

Canadian businessmen have had every opportunity to present their views to the Minister of Finance, the Minister of National

Revenue, the Minister of Trade and Commerce and to officials with regard to the changes that they would hope to see made, the concessions that they hoped Canada would be able to get in the tariff conferences that are coming up. Those suggestions have been given very careful attention.

There is precisely the same type of activity going on in this country as in the United States. We are quite prepared to be as active at the GATT conference as any other country. One of the most experienced civil servants in Canada is heading up our delegation to that conference, and with his wealth of experience I am sure that Canadian interests will be adequately protected.

I was not quite sure whether the member for Ottawa West was suggesting that representatives of business should have an offiicial position—

Mr. McIlraith: No.

Mr. Churchill: —on the Canadian delegation to Geneva.

Mr. McIlraith: No, I was not suggesting that.

Mr. Churchill: They will have the opportunity of making representations and perhaps being there as observers.

Mr. McIlraith: Mr. Chairman, perhaps before the minister leaves that point I could ask him this question. That was the very thing I wanted to find out; what arrangements had been made by the government in that respect; what arrangements, if any, had been made for the government team to receive representations in the various cities of Canada, and that sort of thing.

Mr. Churchill: The information given to us just the other day by Hector McKinnon was that he has received scores of delegations and representations from businessmen right across the country.

Then at the same time during the course of the negotiations—which will be prolonged, as the hon. member for Ottawa West knows, and will extend over several months—there will be opportunities for Canadian businessmen to make further representations.

Mr. Benidickson: Mr. Chairman, on this point I would like permission to ask the minister another question. He will recall the debate during this session about the disclosure of a big trading nation, the United States, as to the items upon which they would propose to negotiate with the fellow partners in Canada at a fall conference.

I wonder, in view of the remarks of the hon. member for Ottawa West this afternoon, whether the minister would explain Canada's policy which seems to refrain from indicating to the industries of this country and to our trading partners in advance our possible levels of trading negotiation that we have in mind prior to the actual assembling of the conference.

Mr. Churchill: Mr. Chairman, I am not sure that the hon. member's statement can be answered completely, or whether he is being quite realistic about the situation. A preliminary list of matters that the United States government is going to take up—may propose to take up—at the conference at Geneva was published. It was a published document, available to the public anywhere. Business in the United States made its representations with regard to that. As was pointed out earlier this afternoon, a final list will be prepared secretly, by the United States and will form the basis for their negotiating team when they deal with the other countries at Geneva.

Canadian businessmen have full knowledge of Canada's position. They know what is the present tariff. They know what the concessions have been in the past at Geneva. They know what the tariff is with regard to other countries, our trading partners. There is nothing that is not available to Canadian business in Canada, from the standpoint of information pertaining to these matters. On the basis of that they have made their representations to us.

The question was raised by some hon. members as to what concessions could Canada get; what had Canada to bargain with at the conference table at Geneva. All that information is in the hands of our efficient team that will be in attendance at Geneva. The documents setting out the obligations of Canada and other countries under GATT are available. It is on that basis that these negotiations will be carried on.

The United States has, under authority, an opportunity to make certain reductions. In return the United States will be asking for certain concessions. Canada is in a somewhat similar position. It is a bargaining counter at which people give and expect to get something in return, and we have our protection under GATT with regard to the contractual relations that countries have entered into there. If changes are made in those arrangements, then something must be given in return; or a country that thinks it is being harmed will ask for something in return. This leads on to the other discussion concerning European region groupings and the possibility of the United Kingdom—

Mr. Benidickson: Mr. Chairman, before the minister comes to that point would he perhaps be a little clearer in defining the difference between the policy of the United States government, a member of GATT, and

the Canadian government, a member of GATT, in announcing in advance the commodities that it would prefer to have as important trading items at one of these major conferences.

Mr. Churchill: I mentioned the fact that this was a preliminary list which they made public. They are not disclosing the final list. There is a difference between the two types of government in the United States and Canada. Under their law they make their start in the way they have done. That is not the custom in Canada. But at the same time, under our system the information is available for Canadian business and Canadian businessmen have been here interviewing ministers and interviewing the delegation that will be in attendance at Geneva. So there is just a difference that arises because of different laws and different types of government. But the objective is the same in the end.

Mr. Benidickson: Mr. Chairman, because of the importance of this September conference of GATT I thought perhaps the minister might want to let parliament know what was in the minds of the Canadian delegation as major items of perhaps substantial change, such as has been indicated publicly by the United States government.

Mr. Churchill: We are going to the table to negotiate, and you do not disclose everything you are going to do to the people who are also going to sit at that table with you. Nor has the United States disclosed these things. They have put out feelers as to what they might like to happen and have suggested this and suggested that. But that is quite different from what will occur when they finally end up at the conference table in Geneva and start to bargain with other countries that will be represented there.

Mr. Benidickson: I appreciate the minister's comment but on the other hand we have all had experience with the fact that we have references to the tariff board. In connection with some of the items in the tariff schedule they are inevitably tied up with GATT agreements, so it is quite obvious that if our tariff board under our processes has recommendations to make, some of these items in the tariff schedule are going to be of important concern to Canada at this unusually important GATT conference.

Having regard to that I thought the Minister of Trade and Commerce might review some of the items about which there is a suggestion from the tariff board that we should have an upward or a downward reduction in our tariff arrangements which would be prominent in our presentation of negotiations at the GATT conference this fall.

Mr. Churchill: The hon. member for Kenora-Rainy River is well versed in these matters and he will recall that in the course of the budget speech reference was made to some of the tariff matters on which negotiations might be carried on. He is also well aware that matters which are before the tariff board will not immediately be up for negotiation, and he has stated his knowledge of the contractual obligations which Canada and other countries associated with Canada have under the GATT agreement. He is not surely expecting some announcement here with regard to a detailed list of subjects. This is in the hands of the negotiating team and will be left to them and to their discretion; and they have been very discreet in the past, because this is the delegation which was at the previous GATT conference dealing with tariff items.

Mr. McIlraith: Before we leave that point may I ask just one more question. The United States government published a list of the products on which it might consider offering tariff concessions for the purpose of obtaining from other countries tariff concessions to the benefit of United States export trade. It is clear that the list was merely a preliminary one and was designed to provide an opportunity for all persons in the United States interested to submit any information they might have on whether or not the United States government should offer concessions on individual products.

Now, my question is this. Did the Canadian government submit any such preliminary list to Canadian industry or did it otherwise publish any other list so that Canadian industry could after seeing that preliminary list make representations to the government as to what the industry thought the government should do?

Mr. Churchill: The United States action was taken under their law because they are obliged to put out a preliminary list. We are not required so to do, but every opportunity was given to Canadian industry and they were so advised by letter and by advertisement to make representations to the government with regard to matters which concern them and which would be perhaps the subject of discussion at the tariff conferences. The hon. member for Ottawa West has been through this before, and was he not parliamentary secretary at the time the earlier negotiations were held? We are following exactly the same practice as in the past. There were no suggestions in those days that lists should be widely published and our law does not so require.

Mr. McIlraith: There was pretty intensive preparation in those days and what I am worried about is to make sure that there has been sufficient intensive preparation. I have nothing but praise for the head of the government team who will be conducting the negotiations, but I am wondering whether or not the government has done enough by way of making preparations.

Mr. Churchill: I will immediately allay the fears of the hon. member for Ottawa West. The most intensive preparation has been made for the conference, and it is just a few days ago that the Minister of Finance and myself discussed most of the problems with the negotiating team. We are quite satisfied that they go there fully prepared and that they have heard from all segments Canadian industry who are interested in the matter. The way is still open for others who may wish to make further representations, but the most intensive preparation has gone into the preparation for the conference.

Mr. Martin (Essex East): May I ask a question in this connection. I appreciate fully, as the hon. member for Kenora-Rainy River does, that full disclosure of the specific commodity objects that the government has in mind would be unwise during this stage of negotiation. But the Minister of Agriculture during this session has on a number of occasions indicated with regard to certain agricultural imports that an opportunity would be seized by the government at the September meeting to permit freer action on the part of the government with regard to the importation of agricultural products, particularly those from the United States.

Is the minister in a position to indicate whether the Minister of Agriculture spoke out of turn, or what has the government in mind?

Mr. Churchill: The Minister of Agriculture does not speak out of turn. It is a practice which is well known to the hon. member for Essex East. He speaks with knowledge and at the proper time, and if this question is of great importance to the hon. member for Essex East he will have an opportunity of asking the Minister of Agriculture that question on orders of the day when we next meet.

Mr. Martin (Essex East): That is hardly a satisfactory answer. I must say I admire the minister in seeking to defend his colleague and the indiscretions of his colleague, if that is what they are, but I imagine that the conduct of the negotiations is under the Minister of Trade and Commerce. Am I right in that or is that one of the pre-emptive rights of the Minister of Finance who seeks to cover the whole ambit of government? I take it the Minister of Trade and Commerce is sitting next to the Minister of Finance, and as I suspect the Minister of Agriculture would not have part in those negotiations, this is the moment when the Minister of Trade and Commerce should tell me whether the government proposes to be relieved of commitments now which in any way restrict action with regard to the importation of agricultural commodities from the United States which seem to compete with agricultural production in Canada.

Mr. Churchill: Any of these matters which require negotiation will be taken up at the conference. This problem that the hon. member raises with regard to the Minister of Agriculture we will draw to his attention and see if he has any further representations to make. But I must point out to the hon. member for Essex East that the Minister of Agriculture is entirely discreet. He does not get carried away as does the hon. gentleman opposite.

Mr. Martin (Essex East): This is an important matter. The Minister of Agriculture has said in this session on two occasions, that the government was going to take action at the September meeting which would enable it in turn to take action against the importation of agricultural products from the United States into Canada. The government is denied that opportunity now because of action taken by the previous administration.

The Minister of Trade and Commerce cannot be compelled to give an answer, but his refusal to give an answer in the particular context leaves one justified in drawing the conclusion that the Minister of Agriculture was talking out of turn.

Mr. Pallett: Would the hon. member give the reference in *Hansard*?

Mr. Martin (Essex East): I have not got them but if the whip had been in the house at the time, as he sometimes is not, he would know what I was talking about.

Mr. Churchill: I would like to deal briefly with the remarks made by the hon. member for Port Arthur, but apparently he is not available at the moment so perhaps I should wait until he happens to return.

The hon. member for Swift Current-Maple Creek made quite an interesting contribution to the debate this afternoon based on a very careful study of conditions and of research work. I think he has placed before the committee some material which is of considerable importance. I think I have already dealt with some of the remarks the hon. member made concerning Canada's share of the world wheat market, and I shall not go further into

that question now. I shall have to suggest to my hon. friend that his criticisms of the activities of the officials of the wheat board would more properly be taken up with the members of the wheat board when they are here in attendance before the agriculture committee of the House of Commons, as they are each session. Officials present at those meetings have an opportunity to make replies and to defend their position. Here in the House of Commons the minister is responsible for the acts of officials, and I certainly accept full responsibility for the acts of the Canadian wheat board. I should like to tell my hon. friend that it is in those terms he should discuss problems here in the House of Commons: let the criticism be directed toward the responsible member of the government who then will deal with the matter.

The Canadian wheat board, as far as I am concerned has acted during the past three years in accordance with the policy of this government, which has been a policy of the expansion of our wheat sales in countries outside Canada, and I have given figures to indicate that success has attended that policy. The wheat board has been very active. I have accompanied members of the wheat board to Europe on three different occasions to confer with importers of Canadian wheat in the United Kingdom, in Belgium, in Holland, West Germany, Switzerland and the Scandinavian countries. The members of the wheat board have toured the Latin American countries, Japan and the Far East. In addition, during the last six months they have been in Africa.

They have been very active in attempting to extend the sale of Canadian wheat and to open up new markets. They appreciate the fact, as we do here, that it is essential to open up new markets for Canadian wheat in Africa if we are to maintain our export position. The hon. member for Burin-Burgeo, I think it was, said we should have been more active with regard to the sale of wheat flour in Nigeria. Well, that country has been visited. I have talked with officials of that country.

Members of the wheat board have visited Nigeria, and a concrete effort was made to establish a Canadian flour mill in that country. Other interests prevailed, but I would remind hon. members that this activity is not solely one which is the responsibility of the wheat board or of the Canadian government. Those who are actively engaged in the flour milling industry or in the purchase and sale of wheat must look afield now to establish further opportunities for the sale of Canadian wheat and flour abroad. The wheat board has been doing what it can to promote such sales, but other segments of the industry must similarly be active. The wheat board as I see it has over the last three years been very active in promoting the sale of Canadian wheat flour. They may have made mistakes here and there, but who does not. I cannot at this moment here in the House of Commons do other than protect those who, because of their absence, cannot reply to criticisms which are made of them.

The constructive suggestions made by the hon. member for Swift Current-Maple Creek will be drawn to the attention of the Canadian wheat board and we shall see whether the changes he suggests can be introduced or if they are adequate to meet conditions. I do not wish to create the impression that I am rejecting the suggestions he has put forward, because they will be examined with the greatest of care. I think he was somewhat mistaken with regard to some alleged losses of sales in certain markets, and I think he is not correct in suggesting that Russia has been capturing new markets at our expense. There was a sale of wheat a year ago to the Netherlands at a time when we did not have sufficient quantities of No. 5 wheat, which was what the millers in the Netherlands required.

The hon. member mentioned France as a market for Canadian wheat. It is very rarely that France is a customer for our wheat. France has been an exporter of wheat for many years and when any wheat is bought we have to find out what kind of wheat is purchased. If it is soft wheat, then we do not supply it. We have sold durum wheat to France, and hope to do so again, but I question if it is accurate to say that Canada has lost out to any other country in such foreign markets as this. If that has happened it is probably because of the type of wheat which was desired by the purchasing country, or it may have been related to price.

We have no control over purchasers. If they should wish on some occasion to purchase wheat from some country other than Canada there is nothing we can do about it. There may be other factors involved, factors of which we have no knowledge; barter arrangements or something like that. I am not at all convinced that Canada has lost out in her normal markets overseas through any unusual competition or greater activity on the part of a country such as Russia. I think the members of the Canadian wheat board and of the grain trade have been very active in selling our wheat abroad and that they have done a very fine job for the western Canadian producer.

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Mr. Benidickson: Mr. Chairman, would the minister permit at this point an intervention which I think might be appropriate. On the question of markets, and particularly markets for flour, I wonder if the minister would expand upon the welcome comments he has just made with respect to the matter of our exports to the West Indies and would he relate his remarks to the representations that were made by the western Canada liaison committee this year with respect to competition having relation to subsidies on flour exports to the West Indies market which have in the past always been very important to Canada?

In so far as our competition with the United States is concerned, would the minister give an up-to-date picture as to whether or not through the wheat board or otherwise we are keeping in keen competition with the pricing opportunities that are available to the West Indies from United States markets.

The minister knows that in my riding we have an important flour milling industry as we have throughout western Canada and in other places. One of the four or five points presented to the government when the wheat pools and others last met the cabinet was that the government and Canada as a whole might possibly be of assistance to the grain producer in meeting subsidy competition in so far as the supply of flour was concerned, particularly into the West Indies market.

Mr. Churchill: Mr. Chairman, the question of our flour exports has been given very careful consideration. I have looked into this on many occasions during the past two or three years. I have discussed with the wheat board and representatives of the milling industry and others the problem of the competition suffered from the United States subsidization of their flour exports. That has been met in part by wheat board action in assisting the flour exporters in Canada. The situation at the present moment is that competition is still keen between Canadian flour exporters and United States exporters.

Mr. Benidickson: Are we holding our own?

Mr. Churchill: The over-all picture indicates that we are holding our own but here and there we have suffered a rather serious decline. British Guiana is an example of a place where our flour exports have declined rather markedly but the over-all picture indicates that we are holding our own.

This has been the subject of consultation when we have had meetings with representatives from the United States. We have impressed upon them the importance to us of maintaining our flour markets in areas in which they are also active. It is only about a year and a half ago that representatives of the Canadian wheat board and the flour milling industry were in the West Indies making a careful survey of the situation there.

I will consult with the wheat board again after this session is over with particular reference to the problem the hon. member has raised because it is just as important to us to maintain our exports of flour as it is to maintain our exports of wheat. In fact, as new countries are developing around the world they seem to become interested in establishing flour mills within their borders. This means a reduction in imports. We are watching that situation very closely and will make this a special point of investigation later this summer.

Mr. Benidickson: Will the minister agree that that was one of the four or five points of possible relief as a result of government intervention, mentioned when the western grain growers' representatives came before the cabinet? Was there not a price tag on that? Was it not a relatively small sum, $6 million, perhaps?

Mr. Churchill: I cannot give the hon. member the figure. That type of assistance has been asked for previously. It may have appeared in the brief presented by the group mentioned but it certainly has been raised before and has been the subject of discussion.

Mr. McIntosh: Mr. Chairman, the minister has referred to cash sales of wheat. Is it the policy of Canada to make sales on a credit basis? If that is so, what is the reason why we cannot sell some of these countries our wheat on a credit basis? Is it because we cannot carry the load?

Mr. Churchill: No, Mr. Chairman, we have made sales of wheat on credit. The chief example is Poland to whom we have sold substantial amounts of wheat on credit. Sales of wheat on credit were also made to Israel and India, but the general policy is to sell for cash.

This matter has been talked over on many occasions. We do not consider it advisable to sell wheat or flour on credit to countries that are normally commercial markets for wheat and flour. It is material that is consumed shortly after it is delivered. It is not machinery or something that has a long life ahead of it. Consequently, we have not gone beyond the examples I have given of selling wheat on credit terms nor have we gone as the United States has into the field of accepting foreign currency for wheat which is the same thing as selling it on credit. That is a field we have not entered extensively at all.

We do not see the need for doing this. Two thirds of the wheat we export from

Canada goes to the United Kingdom and the countries of western Europe and they are cash customers. Our second largest customer is Japan, also a cash customer. With those countries as customers there is no need to sell wheat on credit terms and consequently we have not entered that field and it is not our policy to do so.

Mr. Benidickson: On that point, would the minister indicate to the committee whether there have been any defaults on credit contracts? I believe that all these credit contracts have been arranged through the exports credit insurance corporation. Have there been any defaults? The minister mentioned Poland, India and Israel.

Mr. Churchill: No, there have been no defaults.

Mr. Benidickson: What was the maximum term for any one contract?

Mr. Churchill: Three years was the length. Other hon. members have raised questions which I do not want to gloss over without giving them attention but if I have failed to answer any point perhaps hon. members would raise their questions when the relevant items are before us. At this stage I wish to thank hon. members for their contributions dealing with the general subjects that are open for discussion on the first item.

Mr. Pearson: Mr. Chairman, perhaps the minister may not be disposed to thank me for my additional contribution but I propose to make it in any event because his rather peevish words at the beginning of his statement demand some reply by me and I should not like to disappoint the minister by not producing one.

The trouble with the minister is that he gives us his picture of the economic and trade conditions from carefully selected statistics and when we put forward some other facts and other suggestions which bring the picture into a better focus as we see it the minister then accuses us, and he has done it so many times, of relishing the gloom we are trying to create and all that kind of tawdry talk. If we put forward observations which attempt to correct the false impression, as we see it, created by the minister, we are doing in this house what other people are doing in the country, the governor of the Bank of Canada and other bank presidents, economic analysts, and I have quoted one this afternoon, and businessmen. I do not suppose the minister would accuse them of revelling in gloom or selling the country short or having no faith in Canada.

Mr. Churchill: Would the Leader of the Opposition permit a question?

Mr. Pearson: Yes.

Mr. Churchill: Will he put forward statistics indicating lower export trade or decreased sales or things of that nature? Let us have the other side of the picture about which he is talking.

Mr. Pearson: I tried to give the other side of the picture in what I thought were very restrained terms, but they were not restrained enough to prevent the minister becoming annoyed. The June figures for export trade are down.

Mr. Churchill: One month.

Mr. Pearson: The minister has manipulated the statistics about wheat but I will put them on the record to show that they are creating anxiety. The hon. member for Swift Current-Maple Creek attempted to reflect that anxiety. When we do this the minister says we have no faith in Canada. The minister and some of his colleagues often fall into the habit of identifying Canada with the government. We have no faith in the government. We have great faith in Canada. The trouble with the minister is that we will not move a vote of thanks to him for his operations as cheer leader in the government. We propose to continue as I have done this afternoon, and as we will do on the estimates of the Minister of Finance, to give the picture as we see it and try to get it into balance.

Perhaps the minister might deal with at least one of the statements I made this afternoon. He said last night, and I apologize to the minister for not having had the pleasure of hearing his statement, that Canada's gross national product is running appreciably above the level of a year ago. I quoted from the monthly business analysis of Beckett Associates this paragraph:

> Available monthly data for the second quarter indicate the possibility of a decline of gross national product—

Who is right? The minister had a good deal to say about wheat. I talked about the proportionate decline of Canada's share of world wheat marketing. That was the expression I used, and the figures show that has in fact happened. I quote from a Canadian Press story based on official statistics because I have not the bureau's figures here. I think the minister will accept these figures. The story reads in part as follows:

> Canadian shipments of wheat and wheat flour in terms of wheat declined to 235,900,000 bushels during the first ten months of the current crop year from 243,800,000 in the corresponding period last year. The Canadian share of the international market supplied by the four major exporting countries eased to 29 per cent from 32 a year ago.

That is all I stated and that seems to be quite accurate. The minister tried to shift the argument by talking about commercial marketings.

Mr. Churchill: That is what is important.

Mr. Pearson: I was talking about all marketings. Whether marketings by the United States of America are commercial or non-commercial they compete with Canadian marketings in the markets of the world.

Mr. Harkness: It is not marketing; it is a gift.

Mr. Pearson: It is part of the world wheat trade whether it is given away or whether it is sold.

Mr. Harkness: It is a gift.

Mr. Pearson: The effect on the Canadian exporter and the Canadian farmer is exactly the same whether he is competing with wheat given away by the United States or whether he is competing with wheat sold by Argentina.

Mr. Harkness: When you are talking about markets you should talk about markets, not gifts.

Mr. Pearson: Therefore what I said was quite right. I want to ask the minister something else because without success we have tried to get some indication from his department and from the minister as minister of the department about the economic outlook. We tried to get it through seeking the tabling of the report, Canadian Economic Outlook, 1960. It would have been very interesting to have had that report tabled inasmuch as it was tabled in 1959 after having been surreptitiously used in 1958. So the hon. member for Bonavista-Twillingate asked this question on July 30, as found at page 7266 of *Hansard*:

> In order to assist the committee of supply in considering the unemployment problem, will the Minister of Trade and Commerce table the Canadian Economic Outlook for 1960?

The minister replied:

> The hon. member for Bonavista-Twillingate is asking for the tabling of a confidential report, and last evening the hon. member for Essex East said that this was contrary to the usages of parliament. I think perhaps we shall not do it.

In other words, "I think perhaps we shall not table that report", said the minister. When the subject was brought up on Monday, August 1, by way of a motion to table the report, this report which the minister had said the day before could not be tabled because it was confidential, the minister said as found on page 7324 of *Hansard*:

> Mr. Speaker, there is no such document for 1960.

In 24 hours the existence of this document disappeared. Not only was it a document which could not be tabled, as we were told the day before, but it is now a document which does not exist. I should like to ask the minister if he can reconcile that rather confusing contradiction and whether he can also tell the committee if there is any report of that nature from the department. Perhaps it might throw some light on the department's views on the economic situation. It may have been given a different title or form. It may not be called, "Canadian Economic Outlook for 1960", but is there an annual report under any other name which deals with the same matter?

Mr. Churchill: A series of confidential reports from the economics branch is submitted in the Department of Trade and Commerce. So many hon. members on the other side have said that confidential reports should not be tabled that I rather wonder at the Leader of the Opposition asking about the matter now. He is quite aware that confidential reports are passing over the desks of ministers every week.

Mr. Martin (Essex East): Mr. Chairman, I do not think the minister can really expect to convince hon. members by this reply. The minister did say in answer to a motion put the other day by the hon. member for Bonavista-Twillingate that there was no economic report in existence. That is the fact but, as the Leader of the Opposition has just indicated, in commenting on my statement, that there were confidential documents which should not be produced, the minister acknowledged that there was in fact such a report in existence. Thus the two replies cannot be reconciled.

Mr. Churchill: I did not say there was such a report.

Mr. Martin (Essex East): My hon. friend did. He told the hon. member for Bonavista-Twillingate that there was no such report. Here is the question of the hon. member for Bonavista-Twillingate.

Mr. Churchill: What day was that?

Mr. Martin (Essex East): This was on Saturday, July 30, just a week ago today, not so long ago really as to have been forgotten. The hon. member for Bonavista-Twillingate said as found on page 7266 of *Hansard*:

> In order to assist the committee of supply in considering the unemployment problem, will the Minister of Trade and Commerce table the Canadian Economic Outlook for 1960?
>
> Mr. Speaker: If I am not mistaken, an order of the house was made with regard to this matter.
>
> Mr. Pickersgill: There was an order with respect to the volume for 1959, sir. Is the minister going to give an answer?
>
> Hon. Gordon Churchill (Minister of Trade and Commerce): The hon. member for Bonavista-Twillingate is asking for the tabling of a confidential

report, and last evening the hon. member for Essex East said that this was contrary to the usages of parliament. I think perhaps we shall not do it.

Mr. Pickersgill: Does the minister recall an exalted precedent?

Let there be no question about it. Our position always has been that confidential documents of that character were matters that were prepared for the members of the government. But that is not the position taken by this government, as we know from the conduct of the Prime Minister with regard to this particular document in the year 1958 when, without any reservation, he divulged it to parliament. What the hon. member for Bonavista-Twillingate had clearly established was that there was such a document this year. The minister denied it at a later date.

What we want to know from the minister today is—is the economic report in the form used in 1959 and 1958 still in existence? If it is not in existence, in what form does the minister receive from his officials this report? Has the name of the report been changed? Is its circulation now limited to certain members of the cabinet? I would hope that the Minister of Labour would be one of those receiving it. Has it changed its colour? Is its name no longer that of the years previous? In other words, is the minister trying to disguise its characteristics and because it is not in the same form as previous years—although he would still be contradicting himself—saying that there is no longer such a report as was revealed by the Prime Minister? Then, when he is asked by the hon. member for Bonavista-Twillingate about that report, the minister can say, no, there is no such report in 1960.

We want to ascertain whether, if there is not in exactly that form such a report, there is such a document which should be produced according to the precedent which the Prime Minister himself established. If there is, will the minister table it? Will he tell us, if he will not table it, what is the broad outline of it so that we can ascertain the kind of answers which the Leader of the Opposition has been seeking to elicit from the Minister of Trade and Commerce, and the kind of answers which the governor of the Bank of Canada has not hesitated to give to the country. However, the Minister of Trade and Commerce says that is not the kind of reply that should be given by the Minister of Trade and Commerce.

The immediate question now is, is there such a document known as the "Canadian Economic Outlook for 1960"? This is something that has always existed. Perhaps if the minister would give us an unequivocal answer to that, we could get responses which would reveal whether or not there is an economic outlook available, and presented to the Minister of Trade and Commerce in another form.

Mr. Churchill: The hon. member for Essex East, on the one hand, states as he did in July that confidential reports should not be tabled. It is contrary to the usages of parliament. The hon. member for Bonavista-Twillingate said the same thing, and I think the Leader of the Opposition said just about the same thing.

Mr. Martin (Essex East): That is our position.

Mr. Pearson: We are talking about your position.

Mr. Churchill: These hon. members are trying to occupy two positions, as they so frequently do. They place a question on the order paper asking for the tabling of a confidential report.

Mr. Martin (Essex East): Which is the policy of the present government.

Mr. Churchill: It is not the policy of the government whatever, except at the request of hon. members opposite who asked for the tabling of the document which was a year old, and it was tabled after a whole year had elapsed. A second document with a similar title was tabled the following year. Here the other day the hon. member for Bonavista-Twillingate wanted to have the report for 1959 tabled, and the house refused to grant that request. Then he asked for the "Canadian Economic Outlook for 1960", knowing that he was asking for something which, if it is in existence, is a confidential document according to the definition of hon. members opposite.

Hon. gentlemen opposite cannot have it both ways. You cannot have it confidential and say it should not be disclosed and then, in the next breath, say it is a confidential document which should be disclosed. This is more confusing than the usual state of the opposition. You simply cannot occupy these two positions, nor can the hon. member for Essex East now come forward and ask for full information with regard to confidential reports in a department. He wants to know if there is a confidential report by another name, how many confidential reports come to my office and how many are distributed to the members of the privy council. He wants the whole thing disclosed. He knows, having been a member of the privy council, that would be contrary to the oath.

Mr. Martin (Essex East): Is that a question? I fully agree, but the point is this: This government does not take that position. The

Prime Minister revealed this confidential document and said that it should be revealed. Now, having taken that position we are entitled in the following years to ask for it. We did ask for it, and it was tabled. We are asking for it again, because that is the government's attitude with regard to this confidential document. I may tell my hon. friend now that if he wants to pass this general item he should not fail to recognize the logic of this position.

Some hon. Members: Threats, threats.

Mr. Martin (Essex East): Hon. gentlemen say "threats". This is not a threat, it is just an examination of the statement made by the minister. We have always taken the position that confidential documents addressed to the minister should be so considered, but that is not the position that this government has taken in 1958 or in 1959 when they tabled the documents. We are asking, on the basis of the precedents which this government established—and my hon. friend was the instrument in 1959—that the performance be repeated and the "Canadian Economic Outlook for 1960" be tabled.

Mr. Benidickson: I wonder if the minister would indicate just how many economists there are in his department today as compared with three years ago. I recall very vividly that the financial critic of the opposition in the budget debate on April 6, 1954 referred very critically to the increase in the size of the staff of economists employed by the government. I do not accept that view. I have no objection to the employment of economists. However, I have objection to the employment of economists if their reports are not advanced and not acted upon. I should like to know just what advance there has been in the Department of Trade and Commerce in the employment of economists.

I have a folder here, which all hon. members can see, containing some of the recent civil service advertisements. There are requests galore for information officers, for economists, for photographers and so on. The point is that this year we have a heavy staff of economists, and apparently the minister does not want to receive their advice and there are no reports from them.

Mr. Churchill: I object to that statement immediately, that I do not want to receive their advice and there is no report made to me. I said just a few minutes ago that reports of the economic branch of our department were sent to me regularly.

Mr. Pearson: Mr. Chairman, the minister on July 30 said, or indicated that there was a report "Canadian Economic Outlook for 1960".

Mr. Churchill: I said no such thing.

Mr. Pearson: On August 1 he said there was no such report. When was he right ?

An hon. Member: He is always right.

Mr. Churchill: That is an inaccurate statement by the Leader of the Opposition.

Mr. Pearson: You put it on *Hansard* twice.

Mr. Churchill: I did not put it on *Hansard* twice. I said no such thing. The hon. member for Bonavista-Twillingate was asking for a confidential document. In his opinion, that is what it was.

Mr. Martin (Essex East): Mr. Chairman, just so the record may be clear, I say this to the minister. On page 7324 of *Hansard* there appears:

> Motion No. 136—Mr. Pickersgill:
> For a copy of the "Canadian Economic Outlook for 1960", prepared in the Department of Trade and Commerce.
> Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, there is no such document for 1960.

Mr. Churchill: That is correct.

Mr. Pearson: What did you say the day before?

Mr. Martin (Essex East): Is that the situation?

Mr. Churchill: That is the situation.

Mr. Martin (Essex East): The day before, the minister said, at page 7266:

> The hon. member for Bonavista-Twillingate is asking for the tabling of a confidential report, and last evening the hon. member for Essex East said that this was contrary to the usages of parliament. I think perhaps we shall not do it.

Which answer is correct?

An hon. Member: Both.

Mr. Churchill: They are both correct. The hon. member for Essex East thoroughly understands the situation.

Mr. Martin (Essex East): I certainly do.

Mr. Churchill: The hon. member for Bonavista-Twillingate was asking for a confidential document that he considered to be in existence and that he knew he should not be asking for because he had stated—

Mr. Pearson: He got it the year before.

Mr. Churchill: —that a confidential document could not be tabled, and no matter what was done in the past, no document for 1960, 1959, 1958 or 1957 was made public in the year in which it was produced. Yet despite that he asks for what he considered to be a confidential document. He said that is what he had asked for, and the house understood it perfectly. Then the next day,

contrary to what he had stated should not be done, he puts a question on the order paper asking for the tabling of a report for this year—

Mr. Pearson: It had been on the order paper for a week.

Mr. Churchill: —which I said was not in existence.

Mr. McIlraith: Mr. Chairman, the Minister of Trade and Commerce indicates that the opposition gets confused. If there is any confusion to be shown that should raise concern in this committee or in parliament it is the confusion of the minister, as evidenced by his attitude on this day on this subject.

He started off by stating that the opposition had been asking for these reports and that this was the situation. The facts of the situation are, as he well remembers, that the Prime Minister of Canada—the new Prime Minister of Canada—on January 20, 1958, in the midst of a very dramatic production in the course of a debate in this house quoted excerpts from a document which he waved very dramatically, a white document fastened together with heavy brass tabs and with some blue pieces of paper sticking on the tabs, obviously a blue cover had been torn off, although parts of the cover were still remaining on it.

He quoted excerpts at length. It was obvious from the technique that he used that he was quoting only chosen phrases and quoting them out of their context. I was the one who asked him, after he had carried on this performance for quite some time, to table the document.

There was a great deal of hesitation on that occasion about tabling the document then; he was going to table it later. But he finally did table it at the dinner adjournment, and that document, which I took the precaution of looking at immediately, was rather an interesting one, because parts of the blue cover were still on it, although he said there was no cover on it and he did not know anything about the cover. Be that as it may; I am not discussing that now.

That is the origin and the genesis of this business. The next year, when the opposition asked for the production of the document for the year 1958, the answer given by the Prime Minister was, no, it could not be tabled. That was on June 18 of 1958. The Prime Minister made his position clear, that he would not table it then, that it was too early. But he did not say he would not table it later. I think he indicated—if my recollection is right —that he would table it at the end of the year. On January 16, 1959, a request was made for that document and the Prime Minister I believe indicated that the Minister of Trade and Commerce would table it that day. Well, it was tabled on January 16; it was tabled that day.

Mr. Martin (Essex East): What day?

Mr. McIlraith: January 16, 1959. In the 1960 session there was a request about the publication; there were two requests, and nothing was done. There was no indication that there was an objection to tabling the 1959 document at the end of the year. There was a motion, and when the motion was put on February 15, 1960, it will be noted that there would no longer be any objection to a motion of that type.

The house had to vote on it and the house turned it down. The minister did not say then that there was no such document for 1959. He did not give any reasons, and certainly any earlier objections that there were on the part of the government could not be effective.

Then when the copy of the "Canadian Economic Outlook for 1960" was asked for, the minister took the strange and conflicting position indicated in *Hansard* of July 30 and again in *Hansard* of August 1, both of which have been quoted here. I would like to know categorically from the minister: first, was there any such document for the year 1959; and second, was there any such document for the year 1960?

Mr. Churchill: I do not mind answering those questions at all. First let me deal with the so-called confidential document of 1957 about which hon. members of the opposition have been so disturbed. It was called a confidential document. I found the distribution list of that document in 1957, and the same distribution list was used in 1958.

Mr. Benidickson: 1958?

Mr. Churchill: It was a carelessly treated confidential document because 175 copies were mimeographed. It was very widely distributed; I think over 150 of those were sent out.

Mr. Benidickson: Several hundred by the Liberal association.

Mr. Churchill: I am speaking of the 1957 one. One went to the Canadian National Railways, and a copy to the library at the Royal Military College at Kingston. Yet hon. friends opposite have been telling us for years that this was a confidential document whose contents could not be disclosed and it was improper to bring it to the light of day.

Mr. Martin (Essex East): Hear, hear.

Mr. Churchill: That was the confidential document spread across this country, with a word on it marking it confidential and that word meaning nothing.

Mr. Pearson: Meaning nothing to some people.

Mr. Churchill: The document of 1958 followed the same distribution list. When I investigated it I found and considered that that was quite improper for a confidential document, and the document of 1959 was issued on a restricted list and was kept strictly confidential.

Mr. Pearson: I bet it was.

Mr. Churchill: No "Canadian Economic Outlook for 1960" such as the one for 1957, 1958 and 1959 has been published.

Mr. Benidickson: Why?

Mr. Churchill: Does that answer the question of the hon. member for Ottawa West?

Mr. McIlraith: It only answers part of it. In the foreword to the documents tabled in 1958 and 1959 it indicates that the reports contain a regular series of statements on the economic outlook prepared for the use of the federal minister and civil servants concerned. The purpose of the reports is to appraise the influences operating in the economy as they are likely to affect the general level of economic activity in the year. Then it says the present report was completed in March and a supplement containing the usual statistical tables will be made available at a later date.

The estimates show the same number of economists in the branches last year, although the grading has changed slightly. What I want to know now is, does the minister have the benefit of any similar publication for his own use?

Mr. Churchill: I have the benefit of the advice of the economists in the economics branch and that advice is available day after day, week after week and month after month. It is given and it is appreciated.

Mr. McIlraith: That is not the question I asked. My question was: Is there any document of a similar nature appraising the influences operating in the economy as they are likely to affect the general level of economic activity for the year prepared now? Does the minister have the benefit of any such document?

Mr. Churchill: This is getting to be rather technical. The hon. member refers to a document "such as this". I have in my hand the "Canadian Economic Outlook for 1958", 31 pages long, mimeographed. He has asked me, is a document similar to that prepared? What does the hon. member mean? Does he mean 31 pages, of that size, and prepared by the economics branch? If that is what he means by the word "document", similar documents are prepared because the economics branch continues to report to me and gives information which is, according to the foreword, "appraising the influences operating in the economy as they are likely to affect the general level of economic activity". Last night when I was making my opening remarks on the estimates I based them on similar reports given me by the economics branch and I laid before the house the outlook for the balance of 1960. That is the situation with regard to reports.

Mr. McIlraith: Let me follow that up. The document I understood the minister had reference to last night was the document "Public and private investment in Canada".

Mr. Churchill: No.

Mr. McIlraith: Then when was the document given to the house? The point is that the minister gave his interpretation of some documents.

Mr. Churchill: No. I said that the outlook report which I gave in the estimates speech last night was based on information supplied me by the economics branch of the Department of Trade and Commerce following along the same lines as is given in the foreword to this report "appraising the influences operating in the economy as they are likely to affect the general level of economic activity".

Mr. Benidickson: I regret I have not in front of me the *Financial Post* clipping, of which I have a very clear recollection as I am sure has also the minister. It was a report of a statement made by the head of his economics branch.

Mr. McDonald (Hamilton South): What date?

Mr. Benidickson: I will give that later in the debate. I also recall quite vividly that the headline was that a major recession was imminent in 1961-62.

An hon. Member: That is what the Liberals would like.

Mr. Benidickson: No; this is from the senior representative of the economics branch of the Department of Trade and Commerce. I will get this clipping because I think the minister is aware of it. But in the course of this debate the minister should comment on that advice given to the nation at large, and doubtless given to the minister earlier, if we have not got in 1960 the usual concise report on economic prospects compiled by the innumerable economists which are employed by the Department of Trade and Commerce.

Mr. Pearson: I was interested, indeed somewhat amused, by the minister's historical explanation of the nature of the report used by the Prime Minister on the occasion to which we have been referring. The Prime Minister at that time said that this was a hidden report, that it was a horrible example of concealment on the part of the Liberals. According to *Hansard* for that year he said "It was hidden away so well we just found it".

Now the minister tells us that this was a report which was circulated from coast to coast, even to the Royal Military College, and therefore that the confidential character indicated by the cover had no meaning whatever. This was a report which the Prime Minister called a hidden report, so well concealed that even they could not find it in the first few weeks of their existence. Somebody must be wrong again.

Mr. Churchill: The Prime Minister mentioned the concealing of the facts contained in the report.

Mr. Pearson: No, it is all on the record.

Mr. Churchill: On page 3525 of *Hansard* for 1958 he said:

> They did not realize the situation or if they did so they concealed the facts from the Canadian people;—

Mr. Pearson: And the report, the hidden report circulated from coast to coast.

Mr. Churchill: While we are still dealing with the economic report, if the Leader of the Opposition will look at page 7270 of *Hansard* for July 30 he might like to make some slight correction for the benefit of the house. He is reported as saying:

> The Prime Minister took the confidential report, tore off the page marked "confidential",—

Earlier in 1958 when the hon. member for Ottawa West was discussing this report he mentioned the fact that the page had been torn off and someone asked him if he meant that the Prime Minister had torn it off, and the hon. member for Ottawa West was much more careful than the Leader of the Opposition, because he said "I have no evidence that was so". But here you have the Leader of the Opposition saying that the Prime Minister took the confidential report and tore off the page marked "confidential". I think that is a statement which should be corrected by the Leader of the Opposition.

Mr. Pearson: Mr. Chairman, now the minister has brought it up the report was tabled by the Prime Minister with a part of the covering still on the report, with the word "confidential" left on that part. There was a report tabled by the Prime Minister himself and the report bore a bit of the covering which had not been torn off. I have it here; the word "confidential" is marked on every page. If it will make the minister happier I will withdraw that word and say that the page with "confidential" marked on it was torn off.

Mr. Churchill: That makes it better.

Mr. Pearson: I am glad to do that.

Mr. Martin (Essex East): There can be no doubt that the Prime Minister did table a document that was confidential, that was hidden. *Hansard* volume IV, for the year 1957-58 at pages 3530, 3531, 3532 and 3533 clearly establishes that fact. What we are interested in now is in ascertaining from the government an indication of what lies ahead.

The Minister of Labour the other night said that there was no confidential document in the Department of Labour that was prepared for his assessment of the unemployment situation for the summer, for the fall or for the winter. However, after he was pressed he finally did admit that there was a confidential document, a confidential document that gave an estimate of the unemployment prospects for each quarter. However he refused to tell the committee even in general terms, what those prospects were. We insisted on having an indication of what the prospects were, so that we could determine if the government's unemployment program was vigorous enough to meet the situation which might eventuate.

We asked the Minister of Labour if there were any confidential surveys prepared in other departments which were made available to him; was the report of the governor of the Bank of Canada made available to him; did he know of any reports which were prepared for the benefit of the Minister of Finance; did he know of the economic surveys prepared for the Minister of Trade and Commerce? It was not possible to get from the Minister of Labour any acknowledgment as to whether these various departmental reports and the report of the Bank of Canada came across his desk, but he did finally admit there was a confidential report prepared for him in the Department of Labour, although he denied this in the course of the same debate the same evening.

Now we have before us today two contradictory statements by the Minister of Trade and Commerce. This is not my opinion. It is based on the record as I shall show. Now we are entitled to know from the Minister of Trade and Commerce if the prospects for trade are as indicated by the Leader of the Opposition. If the Leader of the Opposition is right, then obviously the enthusiasm about the prospects as stated by the Minister of Labour is incorrect. The Minister of Trade

and Commerce can correct the statement made by the Minister of Labour as to the prospects for unemployment in the fall. We are now entitled to ask the Minister of Trade and Commerce on the basis of reports made to him annually in pursuit of a tradition, which has existed in that department for some time, to give us this information. There is no doubt that there was a report prepared known as the "Canadian Economic Outlook for 1957". The minister gave that in the house in January, 1958. We know there was a "Canadian Economic Outlook for 1959". The question now is: is there one for 1960 and if there is, on the basis of the policy of this government, that should now be considered as a public document, because the Prime Minister said there was no reason why it should not be given, and because there is no reason why it should not be given and for making it public, as he did in January, 1958—

Mr. Churchill: A year later.

Mr. Martin (Essex East): Never mind a year later. The Prime Minister said that confidential documents of that character should be given to the house. We want to know from the minister whether there is such a document, and because the Prime Minister has entered the chamber, I am going to give him the benefit of knowing the inconsistent position taken by the hon. minister. First of all, only a week ago, on July 30, as reported at page 7266 of *Hansard*, the following exchange took place:

Hon. J. W. Pickersgill (Bonavista-Twillingate): In order to assist the committee of supply in considering the unemployment problem, will the Minister of Trade and Commerce table the "Canadian Economic Outlook for 1960"?

Mr. Speaker: If I am not mistaken, an order of the house was made with regard to this matter.

Mr. Pickersgill: There was an order with respect to the volume for 1959, sir. Is the minister going to give an answer?

Hon. Gordon Churchill (Minister of Trade and Commerce): The hon. member for Bonavista-Twillingate is asking for the tabling of a confidential report, and last evening the hon. member for Essex East said that this was contrary to the usages of parliament. I think perhaps we shall not do it.

First of all, before commenting on those words "I think perhaps we shall not do it", I shall deal with the statement I had made the previous day that such documents should not be made available. That is the position which I believe a responsible government should take; that is the position which the previous government took with regard to confidential documents.

Mr. Churchill: A responsible opposition should not ask for it.

Mr. Martin (Essex East): But because the government does not regard this kind of confidential document, as we did, there can be no excuse in logic or in fairness for refusing to table it. Here is the statement of the Minister of Trade and Commerce: "I think perhaps we shall not do it". That is what he said a week ago today in reply to the hon. member for Bonavista-Twillingate. That can only mean that there is such a document in existence for 1960.

Mr. Churchill: No.

Mr. Martin (Essex East): It means there was a "Canadian Economic Outlook for 1960".

Mr. Churchill: No, sir.

Mr. Martin (Essex East): The minister says "no, sir". We shall deal with that answer in a few moments. The next day the minister said on Monday, August 1—but I will read the complete exchange:

Motion No. 136—Mr. Pickersgill:

For a copy of the "Canadian Economic Outlook for 1960" prepared in the Department of Trade and Commerce.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, there is no such document for 1960.

Mr. Speaker: Does the hon. member wish his motion to be withdrawn?

Hon. J. W. Pickersgill: Mr. Speaker, It seems to me there is no reason why the motion should not be passed. If there is no such document it obviously cannot be complied with.

Mr. Churchill: Mr. Speaker, on a point of order, it would not be in accordance with the practices and usages of parliament to pass a motion concerning a document which does not exist.

So the statement made by the minister on Monday, August 1 is inconsistent with the statement he made a few moments ago that there is no such document. But that is not what he said on Saturday, July 30 when he said: I think perhaps we shall not do it.

The position, now, I take it from the minister is that there is no "Economic Outlook for 1960" as such. I take it, since the minister does not disagree, that that is the position. Is the minister saying that his department does not give him any confidential statement or commentary on the economic picture for 1960? Is the minister saying he does not get it in some form? If that is the case, and if there is no such document, will the minister deny—

Mr. Churchill: On a point of order, this is the most shocking repetition I have heard in ages. We have been all over this more than four times. All these questions were asked by the hon. member for Ottawa West, and I gave the answer. All the hon. member for Essex East is doing is getting into *Hansard* again as he has been for the last two weeks and putting on record things which are not correct. I have given the answers, and the hon. gentleman knows I have. This is repetition of the worst order.

Mr. Martin (Essex East): The hon. gentleman is right—it is repetition, because it is directed at the minister in order to find out what the position is, since one position has been taken one day and denied the next.

Mr. Churchill: Nonsense.

Mr. Martin (Essex East): Because of these contradictions, and because so much is at stake, and because we have so much unemployment in this country we are entitled to know what kind of advice has been given to this government. That is the reason for this persistent interrogation. The Minister of Trade and Commerce is not going to halt me in this process—

Mr. Churchill: On a question of privilege, Mr. Chairman, I will. On a question of privilege, I will halt the hon. member.

Mr. Martin (Essex East): Does the minister have a point of order?

Mr. Churchill: I have a question of privilege.

Mr. Martin (Essex East): What is the question of privilege?

Mr. Churchill: I thank the hon. member for Essex East very much. Now that the hon. member is acting as chairman of the committee and has asked for a statement from an hon. member, I will give it. My question of privilege is this. The hon. member for Essex East said I made a statement on July 30 and denied it on August 1. That statement or charge on the part of the hon. member for Essex East is false and should be withdrawn and I ask for its withdrawal right now.

Mr. Martin (Essex East): All I am saying, Mr. Chairman, is that the minister said—

Some hon. Members: Withdraw.

Mr. Martin (Essex East): Just a moment—

Mr. Benidickson: What about the bill of rights?

The Chairman: Order.

Mr. Martin (Essex East): Mr. Chairman, in view of the fact that hon. gentlemen are attempting to shout me down, I should remind them that only recently we passed the bill of rights which surely means that we are entitled to speak—

Mr. Speakman: It is no thanks to you that we passed the bill of rights, our bill.

Mr. Benidickson: It was improved by the hon. member for Essex East.

Mr. Martin (Essex East): Mr. Chairman, perhaps my hon. friends think I have been unfair to the minister, and of course I would not want to be unfair to the hon. gentleman—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —but if the minister has put before the house two contradictory positions I am certainly entitled to analyse them. On July 30 the hon. gentleman was asked by the hon. member for Bonavista-Twillingate to produce or table the document called "Canadian Economic Outlook for 1960". As reported at page 7266 of *Hansard* of July 30 the Minister of Trade and Commerce said:

> I think perhaps we shall not do it.

Now, how can you do it or how can you consider whether you should do it unless you have it?

Mr. Walker: Nonsense.

Mr. Benidickson: Nonsense is no answer.

Mr. Martin (Essex East): The Minister of Public Works displays an unusual eagerness today even for him—

Mr. Walker: The hon. member has been talking nonsense for the last half hour. During the course of his nonsense the hon. member asked a question. Does he want me to explain it?

Mr. Martin (Essex East): The Minister of Public Works is a new minister. I do not want to be too hard on him, but I suggest that a new minister should always manage his own affairs, and having done that he should gradually learn to deal with matters affecting other departments. Returning to my point, the Minister of Trade and Commerce on July 30 with respect to the production of this document said:

> I think perhaps we shall not do it.

But the very next day the minister said there was no such document. On August 1, as reported at page 7327 of *Hansard*, he said it would not be in accordance with the practice, having previously said that there was no such document for 1960. In the face of these two contradictions, Mr. Chairman, I suggest to you that the question of privilege raised by the hon. member is not one that really should have been raised.

Mr. Churchill: I submit they are not contradictions.

Mr. Martin (Essex East): If the minister would only explain these contradictions—

Mr. Walker: There are none.

Mr. Martin (Essex East): If the minister would only say, "What I said on the first day was wrong," or "What I said on the second day was wrong," then the matter would be cleared up.

Mr. Walker: The hon. member for Essex East is wrong.

Mr. Martin (Essex East): My hon. friend says I am wrong. I would remind the hon. gentleman that a mere assertion is no argument, and he waives an acknowledgement.

The Minister of Trade and Commerce is put in this dilemma. He finds himself imprisoned by his own contradictions. The reason he does not seek to extricate himself is because he has in his possession reports that back up the prognostications made by those gentlemen and those organizations referred to by the Leader of the Opposition.

Mr. Benidickson: And he will not give them to parliament.

Mr. Martin (Essex East): One other reason for the minister refusing to produce these documents is because in revealing them, they will display the complete bankruptcy of the government's policy on unemployment.

Mr. Diefenbaker: Mr. Chairman, I always listen with rapt attention to the hon. member for Essex East and I always know that the louder the hon. gentleman talks and the more vociferous his delivery, the more uncertain he is of the facts. I am going to be generous to the hon. gentleman today—

Mr. Martin (Essex East): Do not worry about me; be as severe as you can.

Mr. Diefenbaker: No, I will not be severe. I could not be severe to such a congenial hon. member.

Mr. Benidickson: And a very effective hon. member, too.

Mr. Diefenbaker: But I will say this. I follow a course of not answering the kind of things that are obviously untrue. From time to time in this house, as well as outside of it statements are made that in the days of Mr. Mackenzie King these were regarded as matters which were invariably raised by him on privilege. I have just had the opportunity of listening to the concluding remarks of the hon. gentleman. In view of the fact that he saw fit to quote some words that were spoken on July 30, the opportunity comes to me to answer those statements made on that occasion by the Leader of the Opposition who usually displays considerable courage in this regard in making statements unjustified by the facts, whenever I happen to be absent from the house.

Some hon. Members: Oh, oh.

Mr. Benidickson: Shameful.

Mr. Diefenbaker: The hon. gentleman has followed that course on a number of occasions and I agree with the hon. member for Kenora-Rainy River that it is shameful to do that. The Leader of the Opposition made a statement the other day in reply to which I simply say to him that that statement was completely unjustified in any particular.

Mr. Benidickson: He is the most accurate speaker in the house.

Mr. Diefenbaker: Would the hon. gentleman not allow his spirits to overflow?

Mr. Pearson: An unparliamentary remark.

Mr. Diefenbaker: I can understand how the Leader of the Opposition feels. I recall his experience on January 20, 1958. That was an historic day in the House of Commons. That was the day when the hon. gentleman produced that historic amendment—and I dislike to come back to this but I feel entitled to—that will never be forgotten in parliamentary history however many years this house of parliament may last. That was the day the hon, gentleman—

Mr. Pearson: Are you still living in the past?

Mr. Diefenbaker: Living in the past? Hon. gentlemen do not like the past. When I refer to their part in it, they dislike that.

Mr. Pearson: Let us look ahead.

Mr. Diefenbaker: It was my hon. friend the Leader of the Opposition who brought this up. I am going to recall that historic day for that memorable amendment deserves to be read.

Mr. Pearson: The Prime Minister is out of order, but that is all right.

Mr. Diefenbaker: I do not want to cause the hon. gentleman and those associated with him any exacerbated feelings but I think it is only fair to refer to this in view of the fact that mention of this has been made and made in my absence. I therefore feel justified in saying a few words at this time.

Mr. McIlraith: By way of abuse of the rules.

Mr. Pearson: Give us your speech over again.

Mr. Diefenbaker: Mr. Chairman, they do not like it.

Mr. Pearson: We love it.

Mr. Benidickson: Mr. Meighen said he never abused the rules.

Mr. Diefenbaker: Hon. gentlemen opposite are hurt by their experience on that day. Let me read that famous amendment.

Mr. McIlraith: The hon. gentleman is quite out of order in doing so.

Mr. Diefenbaker: This was the amendment moved a few months after we came into power. It may be found at page 3520 of *Hansard* of January 20, 1958. On that occasion the Leader of the Opposition moved an amendment in these words:

That all the words after the word "That" be struck out and the following substituted therefor:

In view of the fact that, in the seven months His Excellency's advisers have been in office, Canada's total trade has ceased to expand, export markets have been threatened, and proposals for freer trade have been rebuffed—

Mr. McDonald (Hamilton South): Ask the hon. member for Essex East about freer trade—

Mr. Diefenbaker: In the light of the experience of the two and a half years since, what of that statement regarding trade ceasing to expand, export markets being threatened and proposals for freer trade being rebuffed?

Mr. Pearson: Half a million unemployed.

Mr. Diefenbaker: Oh, I will come to the unemployment question in a moment, but this gives me the opportunity, and I am glad of that opportunity, to deal with—

Mr. Pearson: No one will suffer—

Mr. Diefenbaker: Incidentally, may I say this, that statement was never made.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I said that no person in this country will suffer from unemployment and we have seen that such has been the case.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Let me read on.

Mr. Martin (Essex East): The worst unemployment in Canadian history.

Mr. Diefenbaker: Mr. Chairman, I sit and listen, I scarcely ever rise even to ask a question, but as soon as hon. gentlemen opposite realize that something may be said that they do not like they start this chattering. I simply ask that I be allowed to proceed without these aimless and inane interruptions.

Mr. Pearson: Proceed, proceed.

Mr. Diefenbaker: I continue:

In view of the fact that, in the seven months... Canada's total trade has ceased to expand, export markets have been threatened... that investment has been discouraged—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: And so on I might go. Finally there are these words:

And in view of the desirability, at this time, of having a government pledged to implement Liberal policies;

His Excellency's advisers should, in the opinion of this house, submit their resignation forthwith.

Mr. Cardin: That is the best thing that could happen to Canada.

Mr. Pearson: It would have been a good thing for the country.

Mr. Diefenbaker: I am just reading the record. I recall the Leader of the Opposition, on an occasion when there was some competition between him and the hon. member for Essex East, making a speech in which he said: "We want an election".

Mr. Pearson: We do.

Mr. Diefenbaker: "We will be back in power and soon". While I listened to that from my bed I could just feel the fear that must have been in the hearts of those who were saying, "Resign, give us your place". Now, this is all on the record and they will never get over this amendment as long as time lasts, this monstrosity of an amendment. I do not think the Leader of the Opposition produced it on his own. He must have had help. I have always credited it to the hon. member for Bonavista-Twillingate.

Mr. Pearson: Shame, shame.

Mr. Diefenbaker: If he is not entitled to the credit I withdraw the credit I have given him in this regard. They produced this thing and then it was 1958—

Mr. Pearson: Now 1960.

Mr. Diefenbaker: —and I produced the document—

Mr. Pearson: Marked confidential.

Mr. Diefenbaker: —dealing with events in 1957, which in every particular contradicted in black and white the allegations made by hon. gentlemen opposite during 1957.

Mr. Benidickson: That is not so.

Mr. Pearson: That happens to be untrue.

Mr. Diefenbaker: I went through the record. I do not want to reread it. If you want to read it—

Mr. Pearson: You never did read it, you just took bits out of it.

Mr. Diefenbaker: I read it. Let me say this to the Leader of the Opposition. There was no removal of any part of that document. He made that statement in my absence and I say to him now in his presence that that statement is not in accordance with the facts. I am not going to go further than that so that there will be no misunderstanding, but I was very surprised. I can understand any

of the smaller folk surrounding him making statements like that but not the Leader of the Opposition. I was not here the other day, and if it had not been repeated today, I would not have thought it necessary to reply. I usually follow the course of not denying statements that are made from time to time for the reason that, after all, the denial never catches up with such a statement made without foundation by anyone. We talk about the course followed subsequently. I can understand how the souls of hon. gentlemen opposite have been seared.

An hon. Member: Don't cry.

Mr. Diefenbaker: It has been so all through the ages. Caught out, it put them in a shameful position. They knew and the Leader of the Opposition knew in 1957 that we were entering a period of recession. The hon. member for Essex East knew.

Mr. Pearson: Rubbish.

Mr. Martin (Essex East): Mr. Harris referred to it in the budget.

Mr. Diefenbaker: They had been warned in the month of June of 1957, and if my recollection is correct the number of unemployed at that time was over 200,000.

Mr. Martin (Essex East): One hundred and fifty thousand.

Mr. Pearson: Your recollection is incorrect.

Mr. Martin (Essex East): One hundred and fifty thousand; those are the facts.

Mr. Diefenbaker: Those are not the facts.

Mr. Martin (Essex East): Show me the record.

Mr. Pearson: Try to be accurate.

Mr. Diefenbaker: The record will show the situation and the position of affairs.

Mr. Pearson: We will have the figures in a minute.

Mr. Diefenbaker: They knew this. They were warned. I am not going to read how they were warned but they knew and they concealed it. There is nothing that causes a person to be more outspoken than a guilty conscience.

Mr. Pearson: Is that why you talk so much?

Mr. Diefenbaker: Yes, they concealed the facts. Then they sought refuge by endeavouring to make statements that were not based on the facts. In 1958 we had such a report; we produced it in 1959. So far as the 1959 report was concerned we were prepared to produce that report at the beginning of the next year. We made it perfectly clear that we would submit it in January, 1960, at the beginning of the next year. We concealed nothing. Instead of accepting our promise and undertaking in that behalf, a vote was called and the house decided that that was not the time to secure the production of the document before the house. We were prepared to give them the 1959 report but hon. gentlemen opposite did not want to wait. They wanted it produced during the calendar year. We never produced any document during the calendar year. It was the year following. We were prepared to do that but they refused to accept it.

So far as the present situation is concerned, the Minister of Trade and Commerce has made it perfectly clear what is the situation. Hon. gentlemen opposite just gloat over the difficulties in the economic condition of Canada. They revel over the fact that there is a degree of unemployment. Wherever a market is lost through intensive international competition, they rub their hands in glee. That has been their attitude. I cannot understand it. I cannot conceive of an opposition made up of such fine gentlemen who would devote themselves so hopefully to the attainment of something in the nature of a depression in Canada. They are working to that end. They say—

Mr. Pearson: Mr. Chairman, on a question of privilege, the Prime Minister of this country, without any respect for the dignity of his office, has said that the opposition is working for a depression in this country, which is a false, malicious slander and unworthy of him.

Mr. Diefenbaker: Mr. Chairman—

Mr. Pearson: Perhaps he will withdraw it.

Mr. Diefenbaker: By their words ye shall know them. If they are not, and I believe the hon. gentleman says he is not, then he does not realize—

Mr. Pearson: On a question of privilege, Mr. Chairman, I have asked that the Prime Minister withdraw those words.

Some hon. Members: Order.

The Chairman: Order.

Mr. Walker: "Honi soit qui mal y pense."

The Chairman: If I remember the words to which the Leader of the Opposition objects, there was a reference that the opposition was revelling—

Mr. Pearson: No, no, Mr. Chairman.

The Chairman: From what I heard, it would appear there was no question of privilege. A question of privilege has to be a matter which affects the conduct of an hon. member or his honour, and this seemed to

be a question of opinion as to attitude. In my opinion, there was no point of privilege in the statement made by the Prime Minister. After the Prime Minister has resumed his seat, the Leader of the Opposition may wish to make a correction if his attitude was not well represented in the remarks of the Prime Minister.

Mr. Pearson: I am still speaking on the question of privilege, Mr. Chairman. Obviously you have not heard what the Prime Minister has said. He has just said that the oposition was working for a depression.

An hon. Member: He did not.

Mr. Pearson: Those were his words, and he cannot try to sneak out of them. Those words reflect on the opposition and therefore they should be withdrawn at once, and without any equivocation by the Prime Minister.

Mr. Diefenbaker: I do not know what the words were.

Mr. Pearson: Well, I do.

Mr. Diefenbaker: Sometimes the hon. gentleman's recollections have not proven to be in accordance with the facts. I would say, if their sensibilities have been hurt, that if they are not working for it—I will not say they are because they tell me they are not—that will be the ultimate end as they go about this country preaching gloom and doom. I quite frankly say that they are not working for that purpose, but that will be the end, and that is what they are not unhopeful of obtaining.

Mr. Pearson: On another question of privilege, Mr. Chairman; I hope you heard those words. The Prime Minister has said that we are not unhopeful of a depression, and I ask the Prime Minister once again to withdraw at once words which are unworthy of him.

The Chairman: May I say that in my opinion there is no question of privilege in those words.

Some hon. Members: No.

The Chairman: If any hon. member wishes to refer the Chair to any citation in Beauchesne which would indicate that similar words would be sufficient to justify a question of privilege I am willing to examine the question further. I should like the Leader of the Opposition to refer me to any citation which would indicate that such words justify a question of privilege. I have no objection to examining the matter further.

Mr. Pearson: The words used by the Prime Minister were that the opposition were not unhopeful of a depression in this country. I call your attention to chapter 3, rules of debate, of Beauchesne's fourth edition, page 131:

> No member can be allowed to attribute any intention to insult others; or
> to question the honour of one;—

To tell the House of Commons that the opposition is not unhopeful for a depression in this country, with all that means to the people of this country, and to say that that is not a question of privilege or that is not insulting the opposition or questioning the honour of the opposition, seems to me to be incomprehensible. The Prime Minister should be asked at once to withdraw those words.

Mr. Diefenbaker: In that regard, I have nothing to withdraw.

Mr. Martin (Essex East): The Leader of the Opposition has asked you, Mr. Chairman, on a point of order, to ask the hon. gentleman to withdraw a statement. Until you have been unequivocal in your ruling, it is not open to the Prime Minister to make any other argument.

The Chairman: The Prime Minister was answering the question of privilege which had been raised by the opposition, and gave his view as to whether those words should be withdrawn. This is the way I understood the intervention by the Prime Minister.

Mr. Pearson: The Prime Minister has said he has nothing to withdraw in attributing to the opposition a desire for a depression or in saying that they were not unhopeful of a depression. Are you ruling, sir, that that is not a question of privilege and that the Prime Minister need not withdraw words of that kind?

The Chairman: I have not made any ruling as yet. I have been trying to find the citation to which the hon. member has referred me. Do I understand it is citation 155?

Mr. Pearson: Yes.

The Chairman: This is a citation which I have consulted several times. In my opinion what constitutes a matter of privilege is the imputation of false or unavowed motives or anything which concerns the personal conduct of an hon. member. In discussing problems generally, even if some expressions may be strong, in my view they would not justify a question of privilege because that is not something affecting the honour of any hon. member, and so no question of privilege would be involved.

Now, in so far as unparliamentary words are concerned, I think the rule is generally the same. There were no words used by the Prime Minister, in my opinion, that were unparliamentary. I do not see that there is a question of privilege. There may be justification, as I said before, for the Leader of

the Opposition to rise after the Prime Minister has completed his remarks and make a correction or state his views. Frankly I do not see that there is a question of privilege because neither the honour nor the conduct of the hon. member has been questioned.

Mr. Pearson: According to your ruling, then, it is no reflection on the honour of the opposition for the Prime Minister to state that they are not unhopeful of a depression in this country. Is that your ruling, there is no question of privilege and no reflection on the honour of the opposition?

The Chairman: May I refer the Leader of the Opposition to citation 150:

> If a member should say nothing disrespectfully to the house or the Chair, or personally opprobrious to other members, or in violation of other rules of the house, he may state whatever he thinks fit in debate, however offensive it may be to the feelings, or injurious to the character, of individuals; and he is protected by his privilege from any action for libel, as well as from any other question or molestation.

If such a statement did justify a question of privilege, I think it would be very difficult to conduct the debates in this house. It is only what affects the personal conduct of hon. members that, in my opinion, justifies a question of privilege.

Mr. Pearson: Then the only course open to me now that you have allowed the words of the Prime Minister to stand that the opposition is not unhopeful of a depression, is to say that this is a malicious falsehood.

Mr. Diefenbaker: Mr. Chairman, that is the usual course followed by the Leader of the Opposition. May I say to him that one of his most devoted followers was quoted in this house by the Minister of Finance on April 12. A Mr. Cohen was interviewing Mr. Templeton in the city of Toronto, and the following appears at page 3165 of *Hansard* for that date:

> Mr. Cohen: Mr. Templeton, I know that politics interest you. Off the record, do you see a revival on the federal scene of the Liberal party? Do you see them staging a comeback?
>
> Mr. Templeton: This is off the record on television?
>
> Mr. Cohen: Off the record on television.
>
> Mr. Templeton then replied as follows:
>
> The only thing I would say about that is that there is a chance of a Liberal revival if there is the economic recession predicted by—I hope accurately —by a number of well-known economists.

I need say no more in that connection.

Mr. Pearson: You have said quite enough.

Mr. Diefenbaker: There was the spokesman—

Mr. McIlraith: You have branded yourself.

Mr. Pearson: You will be charged.

[The Chairman.]

Mr. Diefenbaker: That was the statement on that. Now I return to the question of unemployment in 1957.

Mr. Pearson: Mr. Chairman, the Prime Minister has quoted someone to substantiate his statement that the opposition of this house is not unhopeful of a depression. I call your attention to the fact that the Prime Minister has quoted no member of parliament in this house, no member of the opposition, and we were dealing with the question of the Prime Minister's statement about the opposition of this house. Of course, he was quite out of order in producing that statement.

An hon. Member: No one challenged it.

Mr. Diefenbaker: As far as that is concerned, I can quite understand how the Leader of the Opposition feels in that regard, because after all, in the very beginning of our term of office, from the time that the famous amendment was moved in January, 1959—

An hon. Member: It was our job.

Mr. Diefenbaker: —day after day, hour after hour in the house and outside the house they have continued to preach the probability, indeed the actual acceptance of recession in this house—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: —and in many cases exaggerating the facts. They will object to my saying "for political purposes", and I certainly would want them to object properly to any statement that I make. I simply say that they exaggerated; they have overemphasized.

Mr. Martin (Essex East): Give us the facts.

Mr. Diefenbaker: The hon. gentleman says "give us the facts". I am glad the hon. gentleman asked for the facts.

Mr. Martin (Essex East): Six hundred thousand.

Mr. Diefenbaker: A moment ago he said there were one hundred and fifty—

Mr. Pearson: And you said one hundred.

Some hon. Members: Sit down.

Mr. Benidickson: Sit down and hear the truth.

Mr. Diefenbaker: I have before me the news release—

An hon. Member: Oh, oh.

Mr. Diefenbaker: The hon. member always laughs when he realizes he is in difficulty. The employment situation of June, 1957,

issued jointly by the Department of Labour and the dominion bureau of statistics shows that an estimated 5,834,000 persons had jobs on June 22, 1957. Registration for employment at N.E.S. offices—

Mr. Martin (Essex East): Give us the figure. Mr. Chairman, on a point of order—

Some hon. Members: Sit down.

Mr. Martin (Essex East): Mr. Chairman, on a point of order.

An hon. Member: You do not want the facts now.

The Chairman: Order. I see the hon. member for Essex East rising on a point of order.

Mr. Martin (Essex East): The Prime Minister has challenged the figure which I gave.

Some hon. Members: No, no.

Mr. Martin (Essex East): On a point of order—

Some hon. Members: No.

Mr. Martin (Essex East): Mr. Chairman, you must—

Some hon. Members: Sit down.

Mr. Martin (Essex East): Mr. Chairman, you must let me state my point of order. If the Prime Minister sits down, I will sit down with him.

The Chairman: Order. I have to listen to the hon. member for Essex East.

An hon. Member: I don't.

Mr. Martin (Essex East): Mr. Chairman, you said you have to listen to me. I hope you do not mean it is a painful performance.

Mr. Johnson: You said so.

Mr. Martin (Essex East): The Prime Minister quoted—

Some hon. Members: Point of order. Sit down.

Mr. Diefenbaker: If the hon. gentleman wants me to put the facts before the house—

The Chairman: The hon. member for Essex East has risen on a point of order. I have to hear what he has to say to decide whether it is correct or not.

Mr. Martin (Essex East): Thank you, Mr. Chairman. The Prime Minister was about to quote figures—

An hon. Member: He has not quoted them yet.

Mr. Martin (Essex East): I am sure hon. members opposite realize their difficulty; but surely they are going to allow me to plead at the bar of this house.

The Chairman: Does the hon. member sustain this point of order?

Mr. Martin (Essex East): I was just addressing myself to these men who—

Some hon. Members: Order.

Mr. Martin (Essex East): I made a statement as to the unemployed in June, 1957, and the Prime Minister now, in an effort to show that that was a wrong statement is quoting from the N.E.S. figures, which are not the figures on which I am relying, which he realizes. In order to be fair the Prime Minister ought to quote from the—

Some hon. Members: Order.

The Chairman: Order. The Chair has heard enough to decide that this is not a point of order, but rather a point of disagreement.

Mr. Diefenbaker: Mr. Chairman, I know the hon. gentleman's great powers, but he does not yet know what I am going to read, although his powers of perception in this case indicate that he is afraid of the facts. Registration for employment at any N.E.S. offices—

Mr. Martin (Essex East): How about persons without jobs?

Mr. Diefenbaker: —totalled about 267,000. I simply wanted to place on the record—

Mr. Pearson: That is not the figure we were talking about, and you know it.

Mr. Diefenbaker: Mr. Chairman, that concludes what I have to say in this regard. I will conclude with the warning that the former government had in 1957. Coupled with that warning they proceeded throughout that entire election campaign to say that there was no unemployment, that all was well. Today their conscience is troubling them, and I can understand it. They concealed these facts from the Canadian people and they will never get over the fact that these concealed records, not made available in 1957, were shown in the house in 1958. We produced the 1958 economic report in 1959. We were prepared to produce the 1959 report in January, 1960, in accordance with the practice I followed in 1958. The opposition did not want it; they refused any delay and they asked for an immediate vote.

Mr. Pearson: What about the 1960 figures?

Mr. Diefenbaker: As far as the present situation is concerned, the Minister of Trade and Commerce has stated, as I understand it, that there was no economic report of this type in 1960. There has been none. That is his statement and no amount of endeavour to obscure the issue—

Mr. Martin (Essex East): What about what he said the day before?

Some hon. Members: Sit down.

Mr. Diefenbaker: —on the part of the opposition in any way answers what the Minister of Trade and Commerce has stated. We will give you the past reports; we will give you that report at any time up to 1959; but we do not intend to produce that which does not exist according to the minister.

Some hon. Members: Six o'clock.

Mr. McIlraith: Mr. Chairman, I wonder if the Prime Minister—

Some hon. Members: Six o'clock.

Mr. MacInnis: You called it, so sit down.

The Chairman: Some hon. members have called it six o'clock. Shall I rise, report resolutions and ask leave to sit again?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I wonder if the house leader would like to sit tonight in order to make further progress with his estimates?

Some hon. Members: No.

Mr. Martin (Essex East): We might as well sit here till September now.

Mr. Churchill: I think not. In view of the exhaustion apparent on the other side I think we should rise.

Mr. Chevrier: I would think the exhaustion is on the other side, judging from the noise we have had. Could we get some indication of what we will be doing next week, particularly on Monday, and would the house leader be good enough to indicate the order in which these items will be taken?

Mr. Churchill: We have a few items left, as I mentioned last night, to consider and they will come up on Monday. There is the concurrence in the report of the civil service commission affecting the staff of the House of Commons; the concurrence in the report of the committee on procedure, and various other items to which I drew attention last night.

Mr. Chevrier: May I ask if these items will be taken in the order in which they were given last night?

Mr. Churchill: I think that will be the order in which we will take things on Monday. If there should be any change in that order I will notify hon. members on the other side in plenty of time prior to the opening of the house at 3 p.m. on Monday afternoon.

The house adjourned at six o'clock, without question put, pursuant to special order.

ANSWERS TO QUESTIONS

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

FOOD AND DRUGS AND PATENT MEDICINE ACTS—PROSECUTIONS

Question No. 428—**Mr. Howard:**

Questions

1. From January 1, 1959 to date have any prosecutions been undertaken pursuant to (a) the Food and Drugs Act; (b) the Proprietary or Patent Medicine Act?

2. If so, with respect to each such act what are (a) the names and addresses of any person or company so charged; (b) the nature of each such charge; (c) the disposition of each such charge; (d) the amount of fine or other penalty imposed in each case?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. (*a*) Yes.
(*b*) No.

2. Convictions under the Food and Drugs Act from January 1, 1959 to July 10, 1960 are as follows:—

(*a*)	(*b*)	(*c*)	(*d*)
			$
Pharmacie L. Bergeron, La Malbaie, P.Q.	Sale of a schedule F drug without a prescription	Convicted	100
Fabien Pharmacy, Verdun, P.Q.	"	"	100
Lacaille Pharmacy, Verdun, P.Q.	"	"	100
Berke Drug Store, Montreal, P.Q.	"	"	100
Frenette Pharmacy, Montreal, P.Q.	"	"	100
P. E. Lambert Pharmacy, Montreal, P.Q.	"	"	100
Ostro Prescription Drug Store, Montreal, P.Q.	"	"	200
H. Trudel Pharmacy, Montreal, P.Q.	"	"	100
Pharmacie Cecile Gosselin, Amos, P.Q.	"	"	10
Cyr Pharmacy, Shawinigan, P.Q.	"	"	75
Papillon Pharmacy, Shawinigan, P.Q.	"	"	75
L. P. Girard Pharmacy, Chicoutimi, P.Q.	"	"	100
Rexall Arthabaska Pharmacy, Arthabaska, P.Q.	"	"	50
Dumont Pharmacy, Sherbrooke, P.Q.	"	"	100
L. Forget Pharmacy, Asbestos, P.Q.	"	"	100
Richmond Drug Store, Richmond, P.Q.	"	"	50
East End Pharmacy, Montreal, P.Q.	"	"	100
Leduc Pharmacy, Montreal, P.Q.	"	"	75
Wienkes Drug Store, Rouyn, P.Q.	"	"	100
L. P. Gaucher Pharmacy, St. Hyacinthe, P.Q.	"	"	15
Pawlicki Drugs, Winnipegosis, Man.	"	"	100
Moras Pharmacy, Montreal, P.Q.	"	"	100
Dusault Pharmacy, St. Marc des Carrieres, P.Q.	"	"	100

(a)	(b)	(c)	(d)
			$
Sign Sales for Canada, (Myer Rush) Toronto, Ont.	Advertising and selling drugs as a treatment, preventative or cure for schedule A diseases	Convicted	1,200
Scollon drugs	Sale of a schedule F drug without a prescription	"	300
St. Paul's Pharmacy St. Jovite, P.Q.	"	"	10
Baker's Drug Store Yorkton, Sask.	"	"	50
Canora Drugs Canora, Sask.	"	"	50
Bedford's Rexall Drugs Salmon Arm, B.C.	"	"	25
Dupont Pharmacy, Toronto, Ont.	"	"	100
Leonard's Drug Store Toronto, Ont.	"	"	50
Sadlier Drugs Toronto, Ont.	"	"	100
Linden Dow Drug Store Assiniboia, Sask.	"	"	75
Dow Pharmacy Assiniboia, Sask.	"	"	75
Hill Avenue Drugs Regina, Sask.	"	"	75
Jolly's Drug Store Regina, Sask.	"	"	75
Hillier Drugs Toronto, Ont.	"	"	100
Dalton's Drug Store Galt, Ont.	"	"	50
Organ's Drug Store Galt, Ont.	"	"	50
Burkett Drugs Ltd Flin Flon, Man.	"	"	75
Flin Flon Drugs Ltd Flin Flon, Man.	"	"	75
Family Drugs Edmonton, Alta.	"	"	150
Willis Drugs Uxbridge, Ont.	"	"	5
Medical Hall Drug Store New Waterford, N.S.	"	"	200
Chas. E. Lepage Co Montreal P.Q.	Selling and advertising a device recommended as a treatment, preventative or cure for schedule A diseases	"	100
Allen Pharmacy Toronto, Ont.	Sale of a schedule F drug without a prescription	"	100
Dunsworth Pharmacy Halifax, N.S.	"	"	75
St. Marguerite Pharmacy Three Rivers, P.Q.	"	"	175
Miller-Wilson Pharmacy Toronto, Ont.	"	"	200
Concession Drugs Hamilton, Ont.	"	"	50
Hainsworth Drugs Hamilton, Ont.	"	"	50
Kingeast Pharmacy Hamilton, Ont.	"	"	50

Questions

(a)	(b)	(c)	(d)
			$
Rogers Drugs, Hamilton, Ont.	Sale of a schedule F drug without a prescription	Convicted	50
Kinley's Drug Store, Halifax, N.S.	"	"	75
Carroll's Drug Store, Glace Bay, N.S.	"	"	100
Hill's Professional Drug Store, Toronto, Ont.	"	"	300
Knagg's Pharmacy Ltd, Toronto, Ont.	"	"	5
E. H. Jackson Co. Ltd, Simcoe, Ont.	"	"	100
Weinstein's Drug Store, Toronto, Ont.	"	"	100
Hornick Pharmacy, Kirkland Lake, Ont.	"	"	100
Cavanagh Pharmacy, Thessalon, Ont.	"	"	75
V. C. McGrath Pharmacy, Dartmouth, N.S.	"	"	75
Moffatt's Drug Store, Dartmouth, N.S.	"	"	75
Rexall Pharmacy, St. Jean-Port-Joli, P.Q.	"	"	50
Evans Pharmacy, Powasson, Ont.	"	"	100
Robinson's Rexall Drug Store, Espanola, Ont.	"	"	50
Strain's Drug Store, Gore Bay, Ont.	"	"	50
Pearen's Drug Store, Toronto, Ont.	"	"	100
Murphy's Drug Store, Arcola, Sask.	"	"	125
Roberts Drug Store, Timmins, Ont.	"	"	75
Notte's Pharmacy, North Bay, Ont.	"	"	50
R. H. Manser, Toronto, Ont.	"	"	50
Bradley's Pharmacy, Moosomin, Sask.	"	"	75
Grenfell Drug Store, Grenfell, Sask.	"	"	75
Wright's Drugs, Broadview, Sask.	"	"	75
Shotbolt's Drug Store, Victoria, B.C.	"	"	100
Brenner Packers Ltd, Windsor, Ont.	Weiners and bologna contained excess filler	"	50
M. & H. Meat Market, Jackson's Point, Ont.	Ground steak adulterated, contained a non-permitted preservative	"	150
Cherot's Food Stores Ltd., Edmonton, Alta.	"	"	50
Queen City Meat Market, Edmonton, Alta.	Beef sausage, adulterated, contained a non-permitted preservative	"	70
Bell's Meat, Fish and Poultry, Edmonton, Alta.	Hamburg adulterated, contained a non-permitted preservative	"	25
Alberta Lockers, Calgary, Alta.	Pork sausage adulterated, contained a non-permitted preservative	"	25

(a)	(b)	(c)	(d)
			$
Bow Marsh Grocery and Meat, Calgary, Alta.	Pork and beef sausage adulterated, contained a non-permitted preservative.	Convicted	75
Sylvio Bolduc, Ste-Anne de Beaupre, P.Q.	Fresh sausage contained excess filler	"	75
M & G Salami and Sausage Co, Windsor, Ont.	Weiners and bologna contained excess filler	"	50
Griff's Market, Vancouver, B.C.	Ground round beef adulterated, contained a non-permitted preservative	"	25
Stanley's Meat Market, St. John's, Nfld.	Sausages contained excess filler and moisture	"	100
Edgar Gaudreau, Montmagny, P.Q.	Sausages contained excess filler	"	50
Gaudreau & Freres, Magog, P.Q.	Sausages contained excess filler	"	300
Hereford Farms, Toronto, Ont.	Red brand beef selling, packaging and labelling in a false and misleading manner	"	200
Jean Rouleau, St. Jean de Dieu, P.Q.	Sausages contained excess filler	"	10
York Packing Ltd, Toronto, Ont.	Pork hock and pork feet—preparing and selling food under unsanitary conditions	"	1,000
Livingstone's Meat Market, Toronto, Ont.	Sausage, ground steak and hamburg adulterated, contained a non-permitted preservative	"	300
D & J Meat Market, Toronto, Ont.	Sausage adulterated, contained a non-permitted preservative	"	50
Sherbourne Meat Market, Toronto, Ont.	Sausage adulterated, contained a non-permitted preservative	"	300
Troughton & Thompson, Don Mills, Ont.	Hamburg and sausage adulterated, contained a non-permitted preservative.	"	100
Paul St. Jean, St. Simon, P.Q.	Minced beef contained horse meat without mandatory label declaration	"	10
Allan's Meat Markets Ltd, Windsor, Ont.	Beef sausage and steakettes adulterated, contained a non-permitted preservative	"	100
Ducharme Dairy, St. Louis de Bonsecours, P.Q.	Creamery butter adulterated, contained a fat other than milk fat	"	1,400
Romeo Landreville, Magog, P.Q.	Pork and beef sausage beef steak and minced beef—contained horse meat without appropriate label declaration	"	300
M & L and Mac's Meat Market, Toronto, Ont.	Hamburg adulterated, contained a non-permitted preservative	"	225
Eastern Sausage Co, Glace Bay, N.S.	Sausages contained excess filler	"	25
Milne's I.G.A. Market, Glace Bay, N.S.	Sausages adulterated, contained a non-permitted preservative	"	25
Myer's Marketeria, Glace Bay, N.S.	Hamburg adulterated, contained a non-permitted preservative	"	25
Dionne Saucisses Inc, Montreal, P.Q.	Beef sausages contained excess filler	"	100
Hygrade Food Products Reg'd, Montreal, P.Q.	Beef sausages contained excess filler	"	100
Melrose Packers Ltd, Montreal, P.Q.	Bologna contained excess filler	"	50
Fernand J. Pratte, Three Rivers, P.Q.	Sausages contained excess filler	"	50
Noe Bourassa Ltd, Ville Mt.-Royal, P.Q.	"	"	150
Highland Creek Marketeria (Robert & Kenneth Jones) Scarboro, Ont.	Hamburg adulterated, contained a non-permitted preservative	"	100

Questions

(a)	(b)	(c)	(d)
			$
J. C. Sylvestre & Fils Enrg. St. Barthelemy, P.Q.	Bologna sausage contained excess filler...	Convicted	75
Champlain Abattoir Enrg. Champlain, P.Q.	"	"	100
Morris Meat Market Edmonton, Alta.	Hamburg pattie meat adulterated, contained a non-permitted preservative.	"	75
Pepper & Sons Meat Market Edmonton, Alta.	Sausage contained excess filler and adulterated by addition of a non-permitted preservative	"	300
F. A. Fluet Inc Quebec, P.Q.	Spruce beer contained saccharin, an artificial sweetener, without mandatory label declaration	"	50
Whistle Bottling Works Reg'd Quebec, P.Q.	Orange whistle and cream soda contained saccharin, an artificial sweetener, without mandatory label declaration	"	50
Export Packers Ltd Toronto, Ont.	Canned boneless turkey interference with a seizure	"	500
Bayview Dairy Trenton, Ont.	Chocolate drink milk fat content below the 2 per cent minimum required by the food and drug regulations	"	20
Cherot's Foods Ltd Edmonton, Alta.	Pork sausage contained excess filler	"	75
Monarch Foods of Canada Ottawa, Ont.	Whey butter adulterated, contained a fat other than milk fat	"	300
Myers Marketeria Ltd Glace Bay, N.S.	Hamburg adulterated, contained a non-permitted preservative	"	35
Cremerie Lemaire Ste. Perpetue, P.Q.	Cheese made from unpasteurized milk and sold before expiration of the 60 day storage period	"	30
Real Proulx St-Georges de Windsor, P.Q.	Curd cheese made from unpasteurized milk and sold before expiration of the 60 day storage period	"	50
Murray's Kosher Meat Market Toronto, Ont.	Hamburg adulterated, contained a non-permitted preservative	"	150
Quality Meat Market Toronto, Ont.	Ground round beef, hamburg and sausages adulterated, contained a non-permitted preservative	"	300
Federal Packing Inc Magog, P.Q.	Bologna and sausage meat—contained excess filler and horse meat without mandatory label declaration	"	450
Vesuvio Dairy Hamilton, Ont.	Mozzarella cheese incorrectly labelled and fat content below minimum required by food and drug regulations	"	100
E. Sroka & Sons Toronto, Ont.	Hamburg adulterated, contained a non-permitted preservative	"	100
Daily Meat Market Edmonton, Alta.	Pork sausage contained excess filler and adulterated by addition of a non-permitted preservative	"	75
Leo Aubry St. Wenceslas, P.Q.	Hamburg adulterated, contained horse meat and a non-permitted preservative	"	200
Henri-Paul Houle St. Celestin, P.Q.	Sausage adulterated, contained a non-permitted preservative	"	100
Leo Bernard Grand Mere, P.Q.	Sausage contained excess filler	"	100
Francois Richard Kinsey Falls, Drummond, P.Q.	Cheddar cheese fat content below minimum required by food and drug regulations	"	100
E. Sroka & Sons Toronto, Ont.	Hamburg adulterated, contained a non-permitted preservative	"	50
Walter J. Vincent Shawinigan, P.Q.	Minced beef contained horse meat without mandatory label declaration	"	100

(a)	(b)	(c)	(d)
			$
Salaison Boisselle, Drummondville, P.Q.	Bologna sausage contained horse meat without mandatory label declaration	Convicted	100
DeCharette & Frere, Shawinigan, P.Q.	Minced beef contained horse meat without mandatory label declaration	"	100
Kobal's Grocery, Lethbridge, Alta.	Ground beef adulterated, contained a non-permitted preservative	"	25

HOUSE OF COMMONS

Monday, August 8, 1960

The house met at 3 p.m.

PROCEDURE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, I would ask that this motion stand until the question period is over and the report of the civil service commission concerning the House of Commons staff has been dealt with. In other words, it would be the second order of business today.

Motion stands.

AGRICULTURE

STATEMENT OF GOVERNMENT POLICY ON ASSISTANCE TO WESTERN FARMERS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with the leave of the house I should like to make a statement regarding the western farm situation, which I undertook to do some two weeks ago and have since been awaiting the opportunity to place before the house the views of the government with regard to this matter.

Might I add that, as has been stated, following my statement, certain supplementary estimates will require to be brought to the attention of the house.

On August 30, 1958 I outlined the government's views concerning the development of a national agricultural policy, and pointed out that our concept of such a policy was based on the belief that the national welfare required positive action to meet the basic causes of maladjustment in particular industries and regions. Thus while the agricultural program was designed to be national in scope, it was necessary at all times to be concerned as well with specific regional problems. These regional policies in turn are required to form an integral part of and harmonize with the ends of national policy.

I do not intend to review the policy which I outlined on that occasion nor the achievements that have since been brought about under that policy. I referred to them in general on March 4, 1960. I would simply say that in connection with the broad national aspects of our planned agricultural policy, the government's intention is to present to parliament further instalments at a subsequent session designed to round out the program which was announced in August, 1958.

On this occasion I wish to deal with one of the regional problems in agriculture which is a matter of particular national concern. I refer to the prairie farm income problem which has arisen from revolutionary changes in technology, world wheat demand conditions and rising costs of production. Partly because of dramatic technological development, more particularly because of the tremendous stimulus given to wheat production by virtually every importing and almost every exporting country, world surpluses have been built up to colossal proportions and the consequence has been a depressing effect on world prices for wheat.

The government has searched diligently for a solution to the question of farm prices which would avoid the evils built into the programs of other countries in recent years. Our determination has been to avoid a cure which would be worse than the disease itself. We have had the benefit of the opinion, in so far as the western grain problem is concerned, of the western members supporting the government, who have continued to place before us their views and have pressed for action in accordance with the situation.

The chief proposal which western farm organizations have advanced for dealing with this problem has been the so-called deficiency payment scheme on western grains. On previous occasions I have endeavoured to show how impossible this proposal would be in relation to a sound agricultural policy, realizing at the same time the necessity of agriculture being prosperous, without which the demands of agriculture or industrial production in other parts of Canada would be greatly reduced, with consequent loss of employment in other parts of Canada.

The summary of the views in this regard is this, as I stated in March, 1960. The government has come to the conclusion that deficiency payments, however attractive at first glance, would not provide a solution to the problems facing prairie agriculture but would indeed create new problems. Deficiency payments applied to deliveries of grain would fail to help those producers most in need and if adopted would require very large subsidies from the treasury, which would

inevitably lead to increased surpluses and would add further to the burden of financing the disposal of those surpluses. Such payments would tend to impede essential adjustments to changing conditions of technology and demand which are essential both to the welfare of the producers and to the health of the Canadian economy as a whole.

In other words, the proposal of a fixed support type of deficiency payment would not solve the two main problems of western agriculture, that of income variability and the problem of the small farm. Indeed, it is the considered opinion of those with whom the government has consulted that in the long run the adoption of deficiency payments would have worsened those problems. Our national policy and indeed our regional policies are based on the fundamental principle of aiding rather than impeding essential adjustments to changing conditions of technology and demand.

A measure of assistance roughly analogous to unemployment insurance in industry is economically consistent with our basic policy of ensuring sound adjustments to changing conditions.

There is no way whereby, regardless of efficiency, a guaranteed annual income can be assured. As a result, our policy has consistently emphasized measures to attack the basic problems of agriculture; measures such as export assistance, crop insurance, a vastly improved and comprehensive agricultural credit policy, rural development, conservation and the like. We believe that the basic problems of Canadian agriculture will yield only to long range solutions. Since our national agricultural policy is designed to attack the basic problems of agriculture, I have always made it clear that some time must inevitably elapse before these long range solutions can be fully implemented and before their benefits will begin to raise the standard of farm living. I indicated in August, 1958 that some measure of special assistance to western farmers was justifiable and, as the house will recall, a measure of assistance was provided at that time.

I then discussed one form of special assistance which has always appealed to the members of the Conservative party. I refer to the two-price system. The proposal has seemed to me through the years to have a strong moral justification, while avoiding the dangers of other suggested remedies which, as I said a moment ago, might be a stimulus if not an invitation to increase and further surplus production. Indeed, such remedies among others have been proven to be the chief causes of the decline in world prices from which western farmers have suffered, as have farmers in other parts of the world.

Under the two-price system for wheat, the domestic price would be above the selling price for wheat on world markets as long as world markets remained substantially depressed. This proposal has quite properly been limited to wheat used for domestic human consumption, since any attempt to impose a domestic price on wheat for feed purposes would simply destroy the market and cause feeders to use other grains or feed products as a substitute. It could not, of course, apply to wheat produced for export. That would be financially impossible.

But attractive as the two-price system is, there have always been dangers and obstacles in the way of its implementation. Those who are primarily concerned with the maintenance and expansion of Canadian markets have pointed out that the establishment of a high domestic price would leave Canada in a vulnerable position when this country requests restraint on the part of other countries which subsidize wheat production and wheat exports. It has also been argued that as long as Canada is selling wheat to domestic consumers at the same price as it is willing to sell wheat abroad, no one can criticize the basis of our participation in export markets.

In opposition to this view, some farm organizations have over the years contended that the Canadian consumer has been getting wheat too cheaply. They argue that while the Canadian wheat producer must export his wheat at world prices, even if those prices are depressed, he should at least receive a fair price for that portion of his wheat sold in the domestic market for human consumption. They point historically, and with justification, to the unique burden imposed by government policy on wheat growers during the war and post-war years, resulting in domestic and export prices far below prevailing world levels.

This government, to fulfil its national and regional responsibilities, must take all points of view into account. On the one hand it must avoid doing anything that would impair the access of Canadian wheat to world markets, for if the world markets were lost nothing, and certainly not the Canadian government, could save the western wheat economy. On the other hand, the western farmers have a case against the continuation of a system in which the price of wheat sold for domestic consumption is set by depressed world prices.

This is a dilemma which this government has searched long and diligently to resolve. At times we have felt that in this search we

have received less constructive help from some western farm spokesmen than we might have expected. But be that as it may, we have been determined all along to resolve this dilemma and to extend a justifiable measure of assistance in a form which would not cause greater difficulties than those it was intended to resolve.

We have reached the conclusion that to attain the ends sought by the two-price system, while avoiding its inherent difficulties, the best way would be to bring about this year an acreage payment similar to that instituted in 1958. The government proposes, subject to the approval of parliament, to make an acreage payment of $1 per cultivated acre, up to a maximum of 200 acres, as shown in the western farmers' wheat board permit books. On the basis of the similar payment made in 1958, this will amount to between $41 and $42 million. This is an amount roughly equal to the average of what the western farmer would get if a two-price system for wheat were put into effect.

I wish now to say a word with regard to the liaison on committee. Since the government's rejection of deficiency payments in March the liaison committee of the western farm organizations has requested a further meeting with the government to discuss alternatives to the form of assistance they had originally requested. Immediately after they made their first request in this regard they were communicated with and asked that they put in a specific alternative in writing so that it might be studied prior to the meeting. In doing this there was in no way an abdication on the part of the government of its responsibility. It was simply giving to them an opportunity to make their representation if they had such an alternative.

The reply we received was in the form of a brief dated May 10, which went into particulars on three proposals or arguments. The brief ended with a statement that the group were prepared to discuss acreage payments. The government will continue to give consideration to action which may be taken to meet the welfare not only of the western wheat farmer but farmers elsewhere in Canada. In so far as the former are concerned, we will meet with the liaison committee. I think it will be desirable that the three ministers from the western provinces meet with them. If desired I will join them to meet this committee so that its views may be secured in addition to any that were expressed in the brief to which I have made reference.

In concluding, I simply want to say that this proposal I have just presented will, I believe, bring about a measure of justifiable assistance this year to western growers. At the same time it will avoid doing anything that would impair the access of Canadian wheat to world markets or impede the necessary adjustments in the wheat economy resulting from the causes mentioned earlier. This is not a hand-out in any sense of the word. We hope this measure will not only provide some assistance in meeting a difficult regional problem but also, within the context of our national policy, a basis for a stronger economy in Canada.

Hon. Paul Martin (Essex East): Mr. Speaker, it has not been easy to follow the words of the Prime Minister. Obviously he was embarrassed by the delay attending the announcement which he has made today. He sought to defend himself by a series of words which cannot be described other than to say they were understandably tortuous.

The Prime Minister is dealing with a matter today which will be discussed, of course, in considerable detail when the item on which it is based is presented to the house, but in view of the character of the announcement and its belated nature the Prime Minister, I know, will be among the first to expect me to say a word or two.

Mr. Diefenbaker: I anticipated that.

Mr. Martin (Essex East): The Prime Minister says this is the first opportunity he has had to make this announcement. Of course the Prime Minister forgets easily—I know he does not forget intentionally—but a whole series of questions were addressed to him and to the Minister of Agriculture during the course of this session, all with the intention of trying to elicit from the government some reaction to the representations which were made by 1,000 western farmers over a year and a half ago. The announcement of today had its genesis in that mass movement of western farmers, who were met with a refusal by the government to accept their proposal for deficiency payments. The Prime Minister must be aware that in the brief presented at that time there were three other proposals of an alternative kind about which the government has made no comment whatsoever.

Since that time the Minister of Agriculture has stated on several occasions that the government's action was predicated on the submission by the western liaison committee of proposals which the government would consider; and having considered them, then an announcement would be made by the government, but not until the farmers of western

Canada themselves had formulated a policy would this government itself decide on which policy it should embark.

This announced program of acreage assistance of $1 an acre up to a maximum of 200 acres, bringing the total cost to the federal treasury somewhere between $40 million and $41 million, as the Prime Minister noted, is precisely the same as the plan announced in 1958, but not pursued in 1959 by the government. The Prime Minister referred to the submissions made by the western liaison committee on May 10, and he said that in those submissions they had proposed acreage payments. It is significant that in the same submissions not only did they put forward that as an alternative plan, but they also requested an opportunity to meet with the Prime Minister and his cabinet colleagues to discuss the question at the Prime Minister's early convenience.

That was on May 10, and on August 8, 1960, the western liaison committee has not yet been given an opportunity to meet the government to present the requests made on May 10. It is no wonder that farm leaders all over western Canada, as we now know from the records of this house, have expressed their dissatisfaction with the government for refusing to meet with them to discuss alternative proposals. What we have today is not what the people of Canada were led to believe in 1957 the farmers would receive. This is not in line with the Prime Minister's declaration "Parity, not charity"; this is a policy of stand-off and hand-out, and there can be no denial of that fact.

I am sure the hon. member for Rosthern, who so courageously spoke up against the refusal of the government to live up to its election promises, will join with the many thousands of farmers in western Canada in protesting at the meagreness and insufficiency of this particular program. These farmers will remember the words of the Prime Minister when he said, "We will assure the farmer of his fair share of the national income by maintaining a flexible"—I underline the word "flexible"—"price support program to ensure parity for agricultural products based on a price-cost relationship". This program does not deal with the elimination of the cost squeeze. The Prime Minister today acknowledged the rise in the farmers' production costs.

This statement is made in the face of the fact that net farm income for 1959 is below that of 1958. This statement is made in the face of the fact that western farmers, as indeed all farmers in Canada, do not recognize in government policy, in government delays, in government procrastination, the realization of the assurances they were given. The Prime Minister seeks to clothe this regrettable state of affairs with a so-called over-all policy. He says that further aspects of this policy will be discussed at the next session of parliament. He interlarded what he had to say by mentioning the fact that the government brought in crop insurance, forgetting of course that only one section of one province in Canada has thus far taken advantage of the federal plan.

An hon. Member: That is their fault.

Mr. Martin (Essex East): That is the fault of the inadequacy of the government's program on crop insurance; that is the result of the government's failure to face—

Mr. Fleming (Eglinton): What about your 22 years of delay and no crop insurance plan at all?

Mr. Speaker: Order. I would ask hon. members not to depart into the area of crop insurance, which was not the subject of this statement.

Mr. Martin (Essex East): With respect I did not depart into that area; it was part of the Prime Minister's speech. He himself referred to crop insurance; that was part of the so-called grand plan of attack by the government to meet economic conditions—

Mr. Keays: And they are being met.

Mr. Martin (Essex East): My hon. friend says they are being met. I am sure when my hon. friend goes back—

Mr. Speaker: Order. If the hon. member will permit me, I would ask the hon. members not to interrupt the hon. member who has the floor. This is not a debate. This matter will be dealt with on the supplementary estimates when they come forward. The hon. member for Essex East is making a statement in connection with a statement made by the Prime Minister.

Mr. Martin (Essex East): I was going to say, before you properly intervened, Mr. Speaker, that when the hon. gentleman gets back to his constituency he will see whether or not the farmers of Canada agree with his statement that these promises are being met by the policies of the government.

Mr. Speaker: Order. I hope the hon. member who has the floor will not be diverted by the interruptions which I have asked hon. members not to make.

Mr. Martin (Essex East): I was diverted by the question and I was also diverted by the character of the Prime Minister's announcement today.

The fact is that here, a year and a half after these farmers came to the government

of Canada asking for remedies, and after all that they have put forward, the government has delayed for such a lengthy period before introducing a policy that could be viewed as an acceptance of its concern; the government waited a year and a half, notwithstanding the demands made by hon. members of the Conservative caucus, notwithstanding the requests from the opposition parties. Only now at the tail end of the session are we given any statement of policy by this government regarding the plight of western agriculture.

What are we given? We are given the same cure-all proposed in 1958 and denied in 1959, denied because the government said that the previous acreage assistance program had been opposed by some farmers and by opposition groups, and therefore would not be forthcoming in 1959. This policy now is offered only because there has been persistent pressure from Liberal members on this side of the house, on the government—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I hope the hon. member will confine himself to more noncontentious comments which he could make at this time.

Mr. Martin (Essex East): I do not see why I should.

Mr. Speaker: If the hon. member will permit me, I will tell him why he should. He should do so for the simple reason that he has the floor to comment on an announcement preliminary to the submission to the house of estimates, at which time the matter can be debated fully. The hon. member has had some latitude, of course, because the statement contained argument back and forth. If the hon. member wishes to conform to the appropriate practices of this parliament, he will keep away from the partisan approach to a discussion of this subject.

Mr. Martin (Essex East): Well, Mr. Speaker, I would ask you to think of the remarks of the Prime Minister. If we want to determine whose remarks were partisan all we have to do is bear in mind that the Prime Minister, in seeking to justify this undue delay, in seeking to justify the inadequacy of this policy, introduced partisan remarks, and it was because of that—

Mr. Speaker: Order. I followed the Prime Minister's statement carefully, and while he introduced arguments pro and con I did not hear him referring to party contentions such as the hon. member seems to be putting forth.

Mr. Martin (Essex East): I accept your view, Mr. Speaker. You will understand, when I feel this way, how the farmers are going to feel.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Mr. Speaker, we have an announcement from the Prime Minister that is not based on any precise formula. This policy announced by the Prime Minister will hardly be discernible from direct relief. It is not the kind of policy that the hon. gentleman promised to the farmers, and it is certainly not the kind of policy that will satisfy the farmers who have waited for a year and a half for an announcement from this government. Instead of bringing forth a really constructive program, the government has brought forward a policy that will enable all hon. gentlemen to say to their constituents, "Well, we did something". However, there will always be the judgment, that "you did not do very much".

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise to speak on the policy announced by the Prime Minister as the deputy to the deputy of the house leader of this group. I fully realize that the hon. member for Assiniboia (Mr. Argue), unavoidably absent in the circumstances—

An hon. Member: Unavoidably?

Mr. Winch: —would expect me to make some comment on the wheat situation and the policy as announced by the government. So, Mr. Speaker, I find myself in the position of having to join with my hon. friend from Essex East (Mr. Martin)—

Mr. Jorgenson: A fate worse than death.

Mr. Winch: —in speaking as a gentleman farmer. I have always maintained that although one is elected by a constituency, he is responsible for having a knowledge and understanding of his province and his country, so I hope that what I have to say will be accepted as the view of this group on the important announcement that has just been made by the Prime Minister.

The Prime Minister in opening his remarks told us that on August 28, 1958 the government's views on agricultural policy were made known. They were made known, sir, yes; but it was our understanding and, I think, the farmers' understanding that the government policy was one of parity, and so far we have not parity in agriculture. It is not until August 8 of this year that we have a further announcement by the Prime Minister on aid to agriculture, particularly regarding those whom we might classify as the western farmers.

I want to make clear right at the outset, sir, that any new policy or additional policy that is going to be of assistance to the farmers has the wholehearted support of this group. But it does not go far enough. That is an old term, but it has to be repeated time after time.

The Prime Minister spent a considerable amount of time, and perhaps understandably so, explaining to the house this afternoon why his government has put aside the idea of deficiency payments in favour of the proposal which is now before us, of $1 an acre payment with a maximum of $200. In view of the fact that the Prime Minister spent some time on that, we in this group would like to make our position known in commenting on the statement of the Prime Minister.

The farmers' case, Mr. Speaker, for deficiency payments is based on the fact that not only has the price of grain not increased, but in fact it has decreased since the end of the last world war. But in the meantime, sir, the cost of production has gone up, I understand by approximately 51 per cent. So to use —and I have no hesitation in using it—the phrase of the hon. member for Assiniboia, the farmer is caught in a price-cost squeeze.

As outlined by the Prime Minister, there are two ways of handling this, either to reduce the cost of production or to increase the price of the farmers' products. The Prime Minister has made it clear that there is no method which they have yet devised—and I rather think he stressed this—of being able to hold down the ever-increasing cost of agricultural production. It is because of this that the farmers have decided that a constructive alternative is to ask for an increase in prices through the medium of deficiency payments.

The Prime Minister has made it clear this afternoon that he has not only decided, but he is defending his government's policy of a $1 an acre payment, with a $200 maximum. He feels that is a better policy than deficiency payments. But, sir, a $1 an acre payment as suggested by the Prime Minister does very little to overcome the price-cost squeeze. Although he denied it—and I noticed that he denied it very emphatically—it still amounts to nothing more or less than a hand out or a relief measure.

Some hon. Members: Oh, oh.

Mr. Winch: The Prime Minister emphasized, again, in his statement, and I am sticking strictly, Mr. Speaker, to the statement of the Prime Minister—

An hon. Member: Nonsense.

[Mr. Winch.]

Mr. Winch: I am saying that I am sticking very strictly to the Prime Minister's statement. If you did not listen, you are the one who is nonsensical, not me. I noticed that the Prime Minister emphasized aid to small farmers. He not only said it once; I think he said it three times. Two hundred dollars, in relation to a farmer's total expense and cost of living is, of course, most welcome; nevertheless it is a trivial sum, because a small farmer with less than 200 acres receives less than $200.

We say, Mr. Speaker, that the Prime Minister and his government, by failing, as they have thus far, to control the farmers' cost of production are partially responsible for the present difficulties of the farmers. We say that by making deficiency payments, by establishing that policy, the government would be discharging its responsibility to the farmer to a greater measure than by the policy now outlined, because deficiency payments mean in effect an increase in the prices of wheat, oats and barley. They mean an increase to at least provide partial compensation for the increase in the cost of production. We say it is the major policy necessary to ensure the survival of the wheat industry, which is so important to the economy of our nation, and in particular to the economy of three of our western provinces.

Mr. Speakman: What about the livestock industry?

Mr. Speaker: Before the hon. member proceeds, I must remind him that he is making only a preliminary statement. The time taken up to now in comment has exceeded the time taken for the original statement. I hope he will let us get on with the business of the house and reserve anything else he has to say until this matter comes before the house for debate.

Mr. Winch: Great minds think alike, sir; I was coming to my last sentence. I was just going to say in conclusion on the preliminary statement that the C.C.F., in view of the Prime Minister's statements and arguments, affirms its support of the farmers' cause for an increase in the price of wheat, oats and barley to compensate for the increase in the last 15 years in the cost of production, by supporting deficiency payments.

SUPPLEMENTARY ESTIMATES (3), 1960-61

A message from His Excellency the Administrator transmitting further supplementary estimates for the financial year ending March 31, 1961, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

UNITED NATIONS

CONGO—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Secretary of State for External Affairs if he can make any report to the house on the situation in the Congo, or on that at the United Nations concerning the Congo?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am informed that the secretary general has reported to the security council on the implementation of the council's resolutions of July 14 and July 22, with particular reference to their application in the province of Katanga. Last week Dr. Bunche, with appropriate United Nations staff, travelled to that province to make arrangements for the peaceful entry of United Nations troops, planned for August 6. After consulting with the appropriate authorities in the province, Dr. Bunche returned to Leopoldville on August 6 to report to the secretary general.

Dr. Bunche recommended a halt in the Katanga operations of the United Nations because of the unyielding opposition of Premier Tshombe to the coming of United Nations troops and because of repeated warnings that they would be opposed by force. There was evidence that there would be opposition to the United Nations entry, which all along had been assumed to be a peaceful operation, consistent with the governing principles of the force which the secretary general had clearly stated.

Mr. Hammarskjold has now restated the United Nations position as follows. The force is not entitled to take such military initiative and action as, in view of what has now been made clear, would be necessary for an implementation of the security council decisions. The secretary general has now asked for instructions from the security council and for such decisions as the council may find appropriate in order to achieve its aims.

In this report he has stated that the aims of the resolutions cannot be achieved by the use of the United Nations force, as its mandate has been defined; that if the council wishes to maintain its objectives it must either change the character of the force, which to the secretary general appears impossible both for constitutional reasons and in view of the commitment to the contributing governments, or resort to other methods which would enable the secretary general to carry through the implementation without going beyond his instructions as regards the force.

The secretary general has made clear that the difficulty which the council faces in Katanga does not have its root in the attitude of the Belgian government, which acquiesced in the security council decisions. Nor, it seems, is the problem one of a wish of the authorities of the province of Katanga too secede from the republic of Congo.

The secretary general states that the problem for those resisting the United Nations force in Katanga is that they consider United Nations participation in the control of security in the province would seriously jeopardize their possibility of working for other constitutional solutions than a strictly unitarian one, that is, some kind of federal structure providing for a higher degree of provincial self government. The secretary general clearly regards this as an internal political problem to which the United Nations as an organization obviously cannot be a party. He asserts that the entry of the force into Katanga would not mean any taking of sides in the conflict, nor any shifting of political weights. He believes that all this can be avoided if the United Nations firmly maintains its aim and acts with clarity and tact. He has suggested that the security council may wish to clarify its views on the matter and to lay down such rules for the United Nations operation as would serve to separate effectively questions of a peaceful and democratic development in the constitutional field from any questions relating to the presence of the United Nations force.

This is the problem which the secretary general has laid before the security council and which it is considering at the present moment. The situation remains extremely delicate, and is rendered more complicated by demands for direct action by those whose interest in the Congo may not coincide with the aims of the United Nations.

Mr. Pearson: May I ask a supplementary question. Are reports accurate that the Soviet representative to the United Nations has questioned the propriety of Canada sending a contingent to this force?

Mr. Green: Yes, Mr. Speaker; there has been some meddling in this regard. I am informed that on August 6 the Soviet representative in New York left a memorandum with the United Nations secretary general which argued that because Canada is a member of the NATO alliance, the despatch of Canadian troops to the Congo would be nothing else than assistance to an aggressor on the part of its military allies. This was described as a gross contradiction of the security council resolutions and, therefore, the Soviet union objected to the dispatch of Canadian troops.

Of course this Soviet charge is completely groundless. The government's decision to provide a Canadian contingent for the United Nations force was in direct response to a request for assistance by the secretary general, who has the responsibility for implementing the security council resolutions. Similar requests have been addressed to many other members of the United Nations, including other members of NATO.

Canada's firm support for the United Nations efforts to maintain peace is in no way inconsistent with our membership in NATO. If other members of the United Nations have differing views in this regard, it is their business to make them known to the secretary general. There has been no formal Soviet approach to the Canadian government concerning this matter, and there has been no change in the Canadian policy of sending this contingent to the Congo.

DISARMAMENT—INQUIRY AS TO AUGUST MEETING OF COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Secretary of State for External Affairs if, notwithstanding the announced intention of the Soviet union to boycott the disarmament commission meeting on the 15th it is still the intention that this meeting should take place. Further, I should like to know whether Canada will be represented at that meeting by our representative on the 10-power commission, General Burns.

Hon. Howard C. Green (Secretary of State for External Affairs): The final decision has not yet been announced by the secretary general, but so far as we know the meeting will be taking place on August 15. It is not yet certain, either, who will represent Canada.

CANADIAN NATIONAL STEAMSHIPS

PAYMENT FOR VESSELS SOLD—SUGGESTED REPURCHASE FOR MERCHANT MARINE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Transport. My question is in two parts: (a) Did the government receive payment for the eight ships sold to the Cuban government in 1958? (b) In view of the fact that seven of these vessels are still in port at Halifax, has the government given any consideration to the repurchase of these ships to rebuild the Canadian merchant marine?

Hon. George H. Hees (Minister of Transport): Mr. Speaker, this is a repetition of a similar question which has been asked from time to time over the past two or three years. As the hon. member, I feel sure, well knows, these ships were sold by Canadian National (West Indies) Steamships to the Cuban government, I believe it was, or to their agents. Payment has been guaranteed by the Bank of America; the payments are being made on schedule and in the full amount each year as they fall due by the Bank of America to the Canadian National Railway Company. The Canadian National (West Indies) Steamships does not own the ships any longer. Any controversy is between the agents for the Cuban government and the Cuban government itself.

I think the other point the hon. member has mentioned has been discussed thoroughly on many occasions, and made very clear to the house.

Mr. Badanai: Would the minister answer the second part of my question, as to whether the government has given any consideration to the repurchase of these ships to rebuild the Canadian merchant marine?

Mr. Hees: No, Mr. Speaker, and I know also that the former government did not, because as I remember it, between 1945 and the time they went out of office the Canadian merchant marine went down from about 300 ships to something like 20.

PUBLIC SERVICE

POSTAL EMPLOYEES—REPORTED DISSATISFACTION WITH RECENT SALARY INCREASES

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. Is the minister aware of the statement by Mr. J. E. Roberts, general secretary of the Canadian postal employees association, to the effect that actions of the government over the past two years on salaries were more unreasonable than any taken by postal organizations?

Mr. Speaker: Order. I remember the hon. member raised a question on salaries the other day. This is not the time to debate the matter, which I mention because the hon. member's question seemed to me to be preliminary to a debate.

Mr. Denis: It is an answer to the statement made by the Postmaster General.

Mr. Speaker: The hon. member's privilege is to ask questions, not answer them.

Inquiries of the Ministry

(Text):

POSTAL EMPLOYEES—REQUEST FOR LONGER HOURS FOR CASUAL WORKERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I address a question to the Postmaster General? While considering salary increases for postal employees, as the hon. gentleman promised to do within a month, will the minister also consider the advisability of increasing the number of working hours of casual employees, who at the present time are limited to four working hours a day and who consequently earn less than $1,500 a year?

Hon. W. M. Hamilton (Postmaster General): The present arrangement is very satisfactory.

(Translation):

NATIONAL DEFENCE

COLLEGE MILITAIRE ROYAL DE SAINT-JEAN—EXTENSION OF COURSE

On the orders of the day:

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like to ask the Associate Minister of National Defence (Mr. Sevigny) a question in connection with the statement he made last Friday that a provincial charter would be required to extend by two years the course given at College Militaire Royal de Saint-Jean. Could the minister tell this house whether he has applied to the provincial government for such a charter?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I stated the other day in my remarks in this house that if, at some time, the course now being given at St. Jean were to be extended by two years, it would then most probably be necessary to obtain a charter from the provincial government of Quebec, in order to establish that this course of senior studies would lead to university entrance. As I explained in the house, the question of extending the course is under consideration, but no decision has yet been reached about it. As I say, the utmost consideration is being given to the matter.

Mr. Dupuis: Mr. Speaker, may I ask a supplementary question? Does the Associate Minister of National Defence propose to consider the matter for as long as one does in a classical course, before determining that two additional years of tuition should be provided at College Militaire Royal de Saint-Jean?

FINANCE

THE BUDGET—EFFECT OF SUPPLEMENTARY ESTIMATES ON SURPLUS

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I may ask the Minister of Finance what effect these various supplementary estimates will have on the balance of his budget?

Mr. Speaker: Order.

POST OFFICE DEPARTMENT

UNITED KINGDOM—REPORTED USE OF ROBOT MACHINES TO HANDLE MAIL

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I ask a question of the Postmaster General. Is the minister aware of the existence in the United Kingdom of complicated and tireless robots called Alf and Elsie, which will take over the task of handling and sorting the mail, as reported in the *Globe and Mail* this morning? If so, will he comment on that report?

Mr. Speaker: As I understand it, the question relates to postal practices in England.

Mr. Denis: It is a report about postal work being done by employees named Alf and Elsie, whether these are electrical machines or not.

Mr. Speaker: I am sure that Alf and Elsie are not the responsibility of the Postmaster General for Canada. However, if the minister is willing to reply—

Hon. W. M. Hamilton (Postmaster General): I may say that a long time before the hon. member for St. Denis became aware of this development—in fact, more than two years ago—I and my officials were in London and watched the development and operation of these machines. A trial model of this device is now being readied for test in reference to its application to Canadian postal needs. I might also add that this was announced in the house about a year ago, and also during the discussion of the estimates, but apparently the hon. member is not aware of that.

Mr. Denis: Well, at that time the Postmaster General did not give us enough details.

Mr. Speaker: Order. Perhaps a machine of that type would help me sort out some of these questions.

Procedure Committee

HOUSE OF COMMONS

MOTION FOR CONCURRENCE IN CIVIL SERVICE REPORT

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission, comprising certain recommendations relating to the staff of the house, laid upon the table Thursday, July 14, 1960, be now approved.

Motion agreed to.

PROCEDURE

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Hon. Gordon Churchill (Minister of Trade and Commerce) moved:

That the report of the special committee appointed to consider with Mr. Speaker the procedure in this house, presented Monday, July 25, 1960, be concurred in.

He said: I do not propose to speak at any great length with regard to this motion. Nevertheless, hon. members may wish to give attention to it because of the importance of the rules and procedure of the House of Commons.

I would point out at the outset that the proposals put forward are on a trial basis, suggested for use at the next session and effective only for that particular session, the fourth of the twenty fourth parliament. If the proposals are accepted now and tried out at the next session and found acceptable in practice, then of course the house may decide to incorporate them into the rules as a permanent feature.

The second reason for not dealing at great length with this particular subject is that the committee in its report is suggesting that a similar committee be set up early next session to carry on the studies which have already been started by the present committee, and to include the procedure on private bills of divorce, which the committee has been asked to consider and is willing to consider in so far as the problem is capable of procedural solution.

So we have before us the report of a committee on procedure which indicate that on this important subject there was no time for the committee to consider every phase of the rules and procedure of the house and bring in a complete report.

This follows the practice of other years. A committee which reported in 1955 was engaged in its activities of reviewing the rules for, I think, four sessions. To make an intensive study of the present rules of the house is something that cannot be done in a few meetings; it must be spread over a considerable period of time. The committee therefore is suggesting that a similar committee be established at the next session, and I hope it will be early enough in the next session for it to make a complete investigation. The rules of the House of Commons have been established over many years of trial and error, and are not lightly to be altered. However, as time goes on conditions change and it becomes apparent that some of the rules of the house might be altered in order to make it possible for members to deal more expeditiously with the business that comes before us.

It is interesting to review what has happened in former years with regard to alterations of the rules. In 1927 the rules of the house were changed in order to limit the time for speeches which prior to that were unlimited. The 40-minute rule for speeches was introduced following the session of 1927.

We had a number of changes in the rules suggested in 1955, and they have been operative up to the present. Some weaknesses in those changes have become apparent during the last few sessions, and to correct those or to suggest alternatives the committee has put forward certain proposals. These proposals may be carefully examined now, and of course it is open to hon. members to make other suggestions. In summary, the proposals are as follows.

The first proposal is to shorten the debate on the address in reply to the speech from the throne by two days. The rules now provide for 10 days, and the committee suggests that this be reduced to eight. The committee also proposes with respect to speeches during the course of that debate, with the exception of those by the Prime Minister, the Leader of the Opposition and the mover of an amendment or a subamendment, other hon. members participating in the debate shall have 30 minutes available to them rather than the present 40 minutes. This is done so that with a reduction of two days in the over-all length of the debate there will still be an opportunity for as many hon. members to participate as is done normally when 10 days are available and 40 minutes per member.

The second proposal is somewhat similar and deals with the budget debate, which under the present rules has an over-all length of eight days. The suggestion put before us in the second proposal is that we shorten it by two days, to six in all, and that the same restriction be applicable that is applicable to the throne speech debate, with 30 minutes being given each hon. member who participates except the Prime Minister, the Leader of the Opposition, the Minister of Finance, the hon. member speaking on behalf of the opposition following the budget

address, and the mover of a subamendment who will be given 40 minutes. Those two proposals indicate that from the fixed debates which the present rules permit, four days would be taken off.

The third proposal is somewhat different. Under the present rules, after the address in reply to the speech from the throne is concluded the two next Thursdays are provided as private members' days, and the six Mondays succeeding the conclusion of the debate I have mentioned, unless those Mondays are interrupted by provision for supply motions. The result is that for a period of perhaps 10 or 11 weeks, on Monday and sometimes Thursday there is no opportunity to bring forward government business either by way of setting up committees or introducing legislation.

The suggestion now made is that some flexibility be permitted with regard to those private members' Mondays and Thursdays. The explanatory note in the report of the committee with respect to this proposal reads as follows:

> In order to provide more time for government business in the early stage of the next session, the foregoing proposal provides machinery whereby private members' days may be deferred when so requested by a minister of the crown. No reduction is being proposed in the number of days now provided for private members' business.

The deferment amounts briefly to this. If in the opinion of the government, on one of the Mondays that would normally be a private members' day there is an opportunity to bring forward government business, that Monday be deferred for a week or two. The same applies to Thursday. The proposed change in the rules as to deferment is set out clearly but it is important to note that the two Thursdays and the six Mondays are retained so there is no reduction in the over-all time now provided under the rules for private members to bring various matters to the attention of the house.

The fourth proposal is quite simple. It suggests an alteration in standing order No. 15, which refers to the hour from five to six o'clock p.m. on Tuesdays and Fridays. The standing order now reads:

> Private and public bills, the former having precedence.

The alteration would permit public bills to precede private bills on Friday. The result would be that on Tuesday the first item in the period from five to o'clock would be private bills and on Friday the order would be reversed and public bills would come in advance of private bills. We have found this year that this would have been helpful, in that certain public bills have either been brought forward by unanimous consent of the house or perhaps have not come to the attention of the house. It appears to be rather more equitable to alternate those on Tuesdays and Fridays.

Those are the four proposals which have been put forward by your committee, Mr. Speaker, consisting of representatives of all three parties in the house. I might add that the committee's report is unanimous. The committee met on several occasions and of course would have continued its work had it thought it possible to do more than this in the course of this session, but having made a start the committee would like to see a similar committee appointed next year.

What can be accomplished by revision of the rules is open to serious consideration and, naturally, to question. Whether or not sessions can be reduced in length is something that a committee on rules must look into very carefully. Over the years innumerable suggestions have been made in this connection, but committees sitting on the question of rules and procedures have found it is not easy to determine the length of any session.

A few years ago I was interested in this subject, and took as a starting point the changes made in the rules in 1927. I put forward the proposition that if prior to 1927 hon. members were permitted to speak for an unlimited period of time—two hours, five hours, seven hours—and after 1927 they were restricted to speeches of 40 minutes, therefore it must follow that the sessions from 1927 on were greatly reduced in length from those that preceded 1927. But I did not find that to be the case from my study of the sessions from 1900 to 1955.

I found that one of the longest sessions in Canada's history, perhaps exceeded by the session of 1956 and possibly also by this session, was, I think, the session of 1903 or 1904, when the house met early in March and prorogued late in November. If you look at *Hansard* for that period you will find hon. members complaining about the lengthy speeches, the use of *Hansard*, understandably and normally protesting about being away from their families and constituencies for a great length of time, the farmers complaining about missing seed-time and harvest and sitting in Ottawa through a hot summer. Therefore what we are going through this year is perhaps no different from what has happened in the past. I just bring this forward to illustrate that it is an easy generalization to say that things can be changed by an alteration in the rules. It does not necessarily follow.

By way of conclusion, and to give some information to the house in case hon. members want to touch on these matters, up to Saturday, which was the 143rd day of this

session, the debates which are either fixed by the rules or which were allotted because of special circumstances took up 44 days. They are divided in this way. The speech from the throne, including the opening day and the day taken up by the mover and the seconder, took 12 days; the budget debate, eight days; the external affairs debate, which was requested, three days; one day on commonwealth relations; six private members' Mondays; three private members' Thursdays, because an extra day was given there on request. There were five supply motions introduced, each taking two days; then recently another supply motion, which took part of a day, so that 11 days were devoted to supply motions, making a total of 44.

On supply itself, we have had 10 days on supplementary estimates, of which two were taken for agriculture and eight for labour. This was earlier in the session. Three days were taken on interim supply. Estimates of the departments which we have been considering recently have taken the greater part of 38 days, giving a total of 51 days for supply and consideration of estimates. The government business on legislation has had the remainder of the time, amounting to 48 days.

I bring this report of the committee to the attention of the house, repeating that it is unanimous; that it is on a trial basis and is suggested for the next session of the house, at which time we hope that another committee will continue a more intensive study of the rules in order to suit the house to the convenience of hon. members without restricting in any way the freedom of speech on which this institution lives and thrives.

It matters not how much we may desire various changes, I think we have to keep in mind that freedom of discussion is essential in a democracy, and restrictions that are imposed should be only such as are agreed on among members so that freedom remains; because if we do not have freedom of speech in this chamber, I am afraid that we could not maintain democracy as we know it.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, as one who had the opportunity of serving on this select committee which was appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes which may be desired to assure the more expeditious dispatch of public business, I feel it appropriate that I take a moment of the time of the house to indicate some views on this report.

First of all, I should like to make it clear that as far as I am concerned it was a very pleasant committee to have the opportunity of serving on. That was due, perhaps, to the method of having the committee do its work. It was a small committee, and that makes a committee work much more efficiently, in my view, and is a much better arrangement all around. Of course, I acknowledge at once the method of chairing the committee, and I must say that I found the guiding of the committee most efficiently performed. Then there is another matter of great significance. The committee met in camera, and certainly in discussing technical matters of this sort it is a more satisfactory method than meeting in public.

The committee report itself is, I think it is fair to say, very simple. It puts forward suggestions for the approval of this house for changes to be tried at the next session only. The house can then decide after the trial whether they should be continued or otherwise. I emphasize the fact that the recommended changes are for one session only.

The first proposals, perhaps, do not have very great significance, because they provide for the participation of the same number of members as under existing rules in the throne speech and the budget debates. While it is true that the time is reduced by one-quarter—the time allotted to each member is reduced from 40 minutes to 30 minutes—that perhaps is not any hardship, because these are formal debates and there is an opportunity for preparing speeches. It should result, at least I hope it results, in better preparation of the speeches. I would hope that the next session will reveal that the 30-minute speeches well prepared contain more than the 40-minutes speeches less well prepared.

I do feel that a word should be said about proposal No. 3. It seems to me there is a criticism of the conduct of the business of the house that could be validly made, and it has been made many times during this session; namely that the government business was not brought forward and presented to the house early enough in the session to permit a thorough discussion of it, and the motions to set up committees were not brought forward early enough in the session to permit the committees to start their work immediately after the throne speech had been disposed of. Some committees were set up very late in the session. To the criticism of this the government has from time to time made the reply that the government had no opportunity to bring forward those motions earlier in the session; that the time allotted to the government in the early part of the session is so limited that they do not risk bringing forward those less urgent matters such as motions to set up committees. Invariably, it seems to me, in the last number of years, going back to most of the post-war years, at the start of each session there had been some legislation

that appeared to be of a very urgent nature; the government had to present it in the day or two each week allotted to the government, and they did not feel that it was proper to use that time to present to the house certain motions to set up committees and that sort of thing because they had no way of knowing how long the debates on those motions would take, and indeed they might have to wait another week or so, as the case might be, before proceeding with their legislation.

As far as I am concerned, I think there has been some validity in the criticism made of the government about its lateness in presenting legislation and in setting up committees. There has been the answer that they have been able to give at least in the early weeks in the session, in the first two months after the throne speech, that a disproportionate part of the time at that stage of the session was taken up by private members days. Well, this proposal is put forward in an effort to meet that problem. I think now the government will have an opportunity, immediately the throne speech has been disposed of and it has its vote of confidence, to present its program of legislation to the house so the bills may be given first reading. Then they will be in the possession of hon. members for examination for some time before they come on for debate on second reading. The committees will be set up early in the session, and they can start their work. I feel that is a wholly desirable thing, and I think it—

Mr. Diefenbaker: I do not want to interrupt, but would the hon. gentleman allow a question?

Mr. McIlraith: Yes.

Mr. Diefenbaker: The hon. gentleman has given a great deal of study to this matter, and is recognized for that study. I should like to ask him what the situation is, if he can tell the house without having to look up the details, in the United Kingdom. What has their experience been?

Mr. McIlraith: Yes, I shall briefly outline that experience. I do not hold myself out as an authority; in fact I am quite frank to tell you that I am not an authority. If I may just continue my remarks before answering that question, I would say that it seems to me this proposal is worthy of the greatest attention. It will mean that at the next session the government will either have to present the motion to set up the committees and present its program to the house at an early stage in the session, or leave itself open to the criticism of the opposition for not having done so. I believe that is a wholly desirable position from the point of view of both the government and the opposition, and one that should commend itself to the house. I believe this is the most important of all the proposals put forward by the committee.

In so far as the United Kingdom committees are concerned, my understanding of the situation is that the number of members serving on each of their committees is very much smaller than ours. This is the main characteristic. One of the other characteristics is that the committees very frequently meet in camera, and they do not publish their evidence from day to day. The evidence is frequently published and presented with their report, and that is the first time the evidence is made public. These are the three pronounced distinctions, as I understand them, between the committees of the House of Commons in the two countries.

It is not, perhaps, germane to this report because the report does not deal with it, but there is another situation in so far as our committees are concerned, and that is the very large number of members serving on each of the standing committees. I have always felt that should be changed and the number should be reduced, so that instead of having one member serving on a great number of committees there would be greater selectivity and a member would only serve on a small number of committees. Some of our standing committees have as many as 60 members, and it seems to me that is wholly unreasonable. This number represents almost one quarter of the total membership of the house. In my experience I have never observed anything that led me to the opinion that this contributed to the efficiency of the committees, but rather it has another effect altogether.

Since the Prime Minister has raised the matter, perhaps I might add one other thing. It seems to me the great multiplicity of committees we have sitting has tended toward members moving from one committee to another without following one as closely as that member would wish. This is a very real problem, a practical problem, that should be borne in mind. However, I did not intend to digress into the committee question. I merely wanted to deal with the other matter, the expectation of the house that the government would, when these new rules are in operation, provide for the setting up of the committees at the start of the session.

Mr. Diefenbaker: Would the hon. gentleman say what is the course followed in the United Kingdom with regard to the setting up of committees? Has he that information available without having to look it up?

Mr. McIlraith: I cannot give the Prime Minister a proper and full answer to that question.

It is regrettable that there was not sufficient opportunity to go into a great many other changes in the rules that might have been considered. So far as I am concerned, as a member of the committee, it was wholly proper that we should have contented ourselves with those things to which we thought we could give sufficient attention to bring forward proposals to the house at this session, rather than trying to cover the whole rule book.

There is, of course, one thing that is well for all members to bear in mind in considering these matters, and that is that the mere setting of the rules does not govern the whole procedure of the house. There is the matter of the conduct of the government in the timing of the introduction of legislation, the sequence of legislation, the allocation of days of debate, and all that sort of thing. As I see it, this aspect of the matter cannot be fully covered by the rules, nor would it be proper to do so. There is a whole area that, correctly, must be the responsibility of the government in submitting its business to the house. The government must stand or fall on its record of how it has carried out its responsibilities in this respect. It would be quite wrong, in my view, to attempt to spell out all these details in the book of rules. I hope that in the years that lie ahead the house will never do that.

There is the recommendation that a similar committee be appointed early in the next session. I hope the Prime Minister will give an undertaking to set up such committee very early in the next session.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, the report of the special committee appointed to consider the procedure of the House of Commons is undoubtedly a very important piece of business, and it is now before us. However, in view of the fact that the recommendations are very concise, the explanations are very clear, and it is a unanimous report which, if accepted, will be on a trial basis for a period of one year, I do not intend to speak at any length at this time. My personal views, Mr. Speaker, can best be put forward in the manner in which I have expressed them on previous occasions.

We in this group view the House of Commons as 265 representatives of the people elected to a board of directors, a board which by the will of the people expressed in a democratic election has the responsibility and the right of policy-making for the nation, of making, rescinding or changing laws, imposing taxation and spending the people's money. For these great purposes the parliamentary system has been devised. I have no hesitation in saying, as I have said many times outside this house, that in my estimation the parliamentary institution is the greatest instrument ever devised by man for solving man's problems and for carrying out the will of the majority of the people of the nation.

Because of its responsibility as an institution and the responsibility of those who are elected to carry out the purposes I have just mentioned, it is of the utmost importance that the rules, regulations and procedure be such that every member has the fullest guarantee of the right to participate in all business of the House of Commons; that every member, irrespective of party, government, opposition, or third party like ourselves, or an independent, has full freedom, right and protection in this regard.

However, Mr. Speaker, having said that I would also add that in the necessity of parliament at all times fighting for the maintenance of the rights and freedoms and the exercise of parliamentary authority, at the same time there must be a recognition that an individual must exercise a personal restraint. There must not be the possibility or permissibility of reducing the dignity, decorum, efficiency and purpose of parliament into a state of licence or a mockery. In other words, what I am trying to say is that for the maintenance of the function of parliament, for the guarantee of all rights to all members of parliament, if there cannot be personal restraint then we must have rules, regulations and standing orders in order to maintain the efficiency, dignity and decorum of parliament itself.

Perhaps, Mr. Speaker, I have been as guilty as anybody else, and that is the reason I can speak this way. I think that very, very often speeches that should be made in 30 minutes take 40 minutes. Points that could be made in 10 minutes sometimes take 30 minutes, and perhaps many of us are guilty of that. Also, I am very much afraid that very often cabinet ministers take two or three hours and could do a damned sight better job in one hour.

An hon. Member: Twenty minutes.

Mr. Winch: However I am convinced that the unanimous recommendation of this committee, suggesting that we give a trial to a reduction of two days in the throne speech debate and two days in the budget debate, with the majority of speeches down from 40 minutes to 30 minutes, is one that is well worth while. I have no hesitation in saying I am almost certain that we can all come within those limitations; at least we will find out at the next session.

But I do think some of the changes recommended are of the utmost importance, changes that will give a greater guarantee of the appointment of committees at an earlier time of the session, the introduction of government business at an earlier time of the session, an opportunity of carrying out the people's business as it is seen from the government's point of view. Whether you like it or not, that is the point of view we have to start with, because they have the power. That will be adding to the greater efficiency of parliament itself.

Therefore, sir, I repeat that on the basis of the recommendation of the trial period, it is well worth while, and we should have the opportunity of seeing whether or not this can increase our efficiency without in any way restricting of rights of members of parliament. We should adopt this report and proceed next session as recommended.

Of course, sir, I do want to add a word on the last section of the report:

> It is therefore recommended that a similar committee be appointed early in the next session to carry on these studies including the procedure on private bills of divorce which the committee has been asked and is willing to consider in so far as the problem is capable of procedural solution.

This, Mr. Speaker, is a most important and worth-while recommendation. Over the years many of us have been worried about the procedure of parliament, both in this house and the other place, whereby both have to sit as a court and handle divorce proceedings from two provinces. Of course, sir, a solution has got to be found, or consideration given not just to procedural matters but to the entire question of the divorce laws of this country, to modernizing them and getting away from the antiquated divorce laws with which our country is cursed.

However, sir, the procedural committee has not the authority to deal with that phase. At this session the insanity of the present procedure has been made obvious. Two members, the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters), have I think done a service to this country in focusing attention on the antiquity and insanity of our present procedure. Perhaps nothing can be done at this session, but I want to commend the committee that has been dealing with the standing orders and parliamentary procedure in that they have unanimously recommended to this house that the committee be reconvened early next session, when it will consider not only the many other matters of importance concerning the business of this house, but will give consideration to divorce procedure as well.

I am convinced, sir, that if this recommendation is accepted we can look forward next year to real consideration being given by all members of that committee to a most serious and complicated problem. I know they will eventually come up—I hope unanimously—with a recommendation that will meet with the approbation of the House of Commons and of the other place, so as to remove this iniquitous problem from within the purview of the other place and the House of Commons.

Therefore, sir, in conclusion I say that we believe it is quite conceivable, and most possible, that the acceptance of the report now before us by this committee of a trial period next year, with the further consideration of these and other matters by the early reappointment of the committee, can only prove of benefit to this house, and gives an indication right now of the seriousness with which all members view their responsibility as to the integrity, the decorum and the efficiency of parliament.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I should like to begin by confirming and agreeing with the remarks of the hon. member for Ottawa West concerning the chairmanship of the committee and the rather unique manner in which our meetings were conducted, I suspect out of lack of other times during the day, within the lunch or dinner hour. It certainly seemed to me a most appropriate way to proceed.

I am going to have to watch the clock very carefully, Mr. Speaker. I propose to say something about the virtues of a 15-minute speech, and I think it would be most inappropriate if, after making what I hope is a case for such a proposition, I should go beyond that period.

I noticed with considerable interest that the Minister of Trade and Commerce, when introducing the debate on this subject, stated that one of the overriding considerations in reducing the number of days of debate on the address in reply to the speech from the throne was that it was felt the same number of members would participate as has been the case in previous years. I had the figures looked up of the number of speakers who participated in the throne speech debate over the last few years, and I would like to put these figures on record. They are as follows:

1951 (1st session)	83
1951 (2nd session)	110
1952	75
1952-53	121
1953-54	110
1955	117
1956	109
1957-58	89
1958	136
1959	92
1960	81

This averages out over the period to approximately 102 members a year.

One of the suggestions I would like to put on the record at this time for the future consideration of the committee, both with regard to the speech from the throne and the budget debate, is that a certain number of days during those debates be set aside for 15-minute speeches. I have done some very rough arithmetic, and if, say, three of the eight days were restricted to 15-minute speeches, at least 160 and at most about 195 members could participate in the throne speech debate, and a proportionately less number could participate in the budget debate. I think that is a very important and a very desirable end in itself.

I would also like to see portions of other debates allocated on the same basis. We could take, out of a two-day supply motion, two or three hours and restrict contributions at that stage of the debate to 15-minute speeches. This could also apply to certain of the private members' days, and I think would contribute toward more effective debate. I also think that in restricting the length of a speech it might produce the result that there would be more of what is described as the cut and thrust of debate, with a larger number of members interested in the development of the theme of the debate.

I have in this connection examined various debates held in the British House of Commons, and I have found that one speaker will bring forward a point, the speaker following him will knock it down, the next speaker will support the first speaker and prop it up again, and so the battle goes on back and forth like a ball in a tennis match, resulting in both interesting reading and I am sure very good listening as well.

It is a fact, Mr. Speaker, that a 15-minute speech or a short speech is a far more difficult speech to prepare, and I would suggest rather more difficult to deliver effectively. I think the greatest merit in a 15-minute speech as far as most subjects are concerned is that you end up by rejecting certain points and selecting only salient points which you wish to include in your speech, instead of making a 40-minute or even longer speech covering everything even remotely connected with your subject. I think the very selection of your material to include into a short speech inevitably makes it more pointed and better.

I have had discussions with newspapermen and particularly with columnists who have small space to fill each day in their paper, and to a man they all agree that it is far more difficult to write a short column. I was always greatly impressed by some columnists who could fill a long column in a newspaper every day and yet keep it interesting. I have found, as I have said, that this presents no real challenge, that it is not difficult to keep talking but is sometimes very difficult to stop talking. And as I say, Mr. Speaker, I am keeping a very close watch on my time at this moment.

There are occasions under the English procedure where speechs are limited to ten minutes; but I would like to leave that with the committee as one of my suggestions. I think it would contribute to wider participation and should be adopted on some future occasion on a trial basis. I also think this parliament and this government, with its extended use of committees, has demonstrated that there can be more effective contribution made by the backbenchers, and this has been shown in my view to be beyond any doubt. I think certain periods of days, three in the throne speech debate and possibly two in the budget debate, limited to 15-minute speeches would produce much more effective speeches and wider and more effective contributions.

The last point I would like to make before resuming my seat is to suggest that notices of motions or resolutions be given a better break in the scheme of things than they have hitherto. Very early in the session the resolutions disappear from the order paper and there is no further opportunity to debate them, though some of them are very provocative items indeed. I suggest that one hour a month, alternatively on Tuesdays and Fridays, be devoted to a continuation of the discussion of these notices of motions and resolutions.

Mr. Speaker, I think that brings me fairly close to a 15-minute speech, so I will resume my seat at this point.

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, having in mind the remarks of the hon. member who has just preceded me, I shall also endeavour to keep my remarks fairly short. I think basically the object of the report which is before the House of Commons is to keep in mind the fact that usually the listener tires much more quickly than the speaker does. I notice in the report that it is indicated that this is a temporary report, or at least that the recommendations on procedure be adopted on a trial basis effective only for the next session of parliament.

Recently I read in the newspapers, and no doubt, Mr. Speaker, you have too, that there is a possibility of a fall session. Having this newspaper speculation in mind, I suggest that this would be the time to give serious consideration to the temporary measures you have suggested, and further to give effect to the suggestion that the seats in the House of Commons be removed, as is done at the end of each session, and be replaced if we

have a fall session, with benches in an effort to try out the practice adopted in the United Kingdom house.

I feel that the only way we can get a change in the rules is to create a psychological impact and also to have a change in environment, and I think this would be perhaps one of the most effective ways of doing it. Having benches replace the present seats would not put speakers like myself sitting off at the side at a bolted desk. You would also have a tendency to shorter speeches limited to notes which could be held in the hand or contributed from memory.

In addition, this would put speakers much closer to the *Hansard* reporter, where they could congregate together. I feel I am at a considerable disadvantage because of my position in the house when I want to raise an objection. All the front benchers on both sides of the house are fairly close to the *Hansard* reporter and are able to get in what at times are very damaging remarks. That is why I feel that a person like myself off at the side is to a certain extent discriminated against. Although some interjections are of the humorous kind, some of the hon. members over on the side near the *Hansard* reporter can interject some remark which I do not hear and therefore cannot reply to, yet it is reported and appears in the printed publication, whereas I would have replied had I heard it.

I also feel that having the seats replaced with benches would have the effect of making the criss-cross of debate much more rapid. This will have the effect of making criss-cross debate much more accurate and more rapid. As a new member of parliament I find that perhaps the most interesting part of parliament is the question period, and when visitors come here I advise them to attend during the question period because that is the time when there is a fast exchange of ideas and when the proceedings are more akin to a debate of the type one might expect.

Speaking again as a new member, if I had any advice to give to others coming into parliament I would say that with respect to the rules there are only two basic things you need to know. If you wish to get on your feet and talk, regardless of the subject matter under discussion, the first thing to learn to say is: "Mr. Speaker, I rise on a point of order". Then you stand up and make whatever observation you desire to make. The speaker then draws to your attention the fact that the point of order you raised is really not a point of order and that it does not concern the matter which is before the house. Nevertheless, you have succeeded in getting in your interjection. The other alternative is to say: "Mr. Speaker, I rise on a question of privilege." That stops everything. You stand up to deal with your question of privilege and you preface it by a few remarks. Then, ultimately, you come to the question of privilege itself. Since I have been in this house one of the things which has impressed me is the number of times a point of order has been ruled not to be a point of order and a question of privilege not to be a question of privilege. I realize that this is perhaps one of the most difficult problems facing the occupant of the speaker's chair, because by the time the ruling is made whatever has been said is already on the record. But this does underline the importance of knowing the rules and of a healthy discipline among members of parliament themselves.

On this whole matter of a knowledge of the rules—and here again I can only speak as a new member—we are given a basic idea of what the rules are by our parties and then we are handed a large edition of Beauchesne. After that we take our seats in the House of Commons. I feel that serious consideration should be given to setting up a non-partisan instruction committee on the rules of the house, because it has struck me that on a great many occasions more time has been spent here in discussing the rules, and the effect that can be given to them, than the business itself.

Another suggestion which we might consider is that all members of parliament should sit for an examination at the end of which they must receive a mark of at least 50 per cent. In the province of British Columbia even our drivers have to pass a test as to their ability before they are allowed on the road, but a member of parliament can be turned loose on one of the most expensive roads in the country, metaphorically speaking, without anyone knowing whether he is familiar with any of the rules. In answer to a question which was asked in the house, as reported in *Hansard* on July 1, 1955, it was estimated that it cost $5,070,235 a session to run parliament. That works out at a cost of something like $17,377 per day and when we consider that a session can be prolonged by a misunderstanding of the rules I think the proposal I have put forward is not too much to suggest, namely that this committee should be set up so that not only is the Speaker aware of the rules but that hon. members may have an understanding of them as well.

If I may make one word of criticism, it is this: I think the older members of parliament who should be setting the standards for the new members have been among the worst offenders in incurring reprimands on

questions of order. I think they should take a close look at their own practices and attempt to set a standard which other members such as myself could imitate. I feel that no matter how we try to improve the rules a tremendous amount must depend on the self-discipline of individuals, and we new members of parliament look to the senior members to set the standard. By raising points of order which are not points of order and questions of privilege which are ruled not to be questions of privilege I suggest they are doing a great deal of damage. I understand that it was said of the late Mr. Arthur Meighen that never during his career did he have to be ruled out of order by the speaker.

Another suggestion I have to make is that a loose leaf rule book be prepared containing every rule likely to be encountered printed on a separate page with a comment on the origin and purpose of the particular rule. I suggest, also, that the Speaker's rulings as reported in *Votes and Proceedings* should also be put in loose leaf form and made available and then each member could have before him up to date rules together with the latest rulings so that he would not be at a disadvantage compared with those who were a little more careful in trying to get some background information.

There are one or two other matters I should like to raise in connection with saving the time of parliament and the first concerns the question of an electrical system of recording votes. I raised this question as a grievance on February 10, 1959 because it seems to me it is a considerable waste of time to spend almost half an hour in getting a vote. I think I would still be in favour of having the first vote of a session a standing vote but I believe that subsequent votes should be recorded by the use of an electronic system. I became interested in this matter through an article in the *Christian Science Monitor* dealing with the use of such machines in Connecticut and the likelihood of their introduction into the state of Massachusetts. Having read that article I thought that perhaps this would be the solution to our own problem and I wrote to the International Roll-Call Corporation. In reply, I received the following letter dated June 20, 1959. It reads:

> Thank you for your letter of May 29. We are enclosing literature.
>
> Thirty two of the 33 electrical roll call systems in use in our legislatures are our machines, and the other is a copy. Our latest model is in 15 of these assemblies. The largest, in Hartford, Connecticut, is the size you require: a 300 member machine with 279 actual members.
>
> Possibly you or a committee could see this machine in Hartford. We also have a 40-member demonstrator, that we can send by truck to interested legislatures.
>
> The Connecticut machine was installed under a rental and maintenance contract, for $35,000 on the first year, and $10,000 and $15,000. We cannot give exact figures without inspecting the building. The Connecticut contract has a purchase option in it for $175,000 less rentals paid, which was not exercised. Such purchase options seldom are exercised, because in a field as small as this rental with company maintenance seems to be the best arrangement. If such an option was carried in your contract it would no doubt exceed $200,000, and it could make it difficult to get the legislation through. We think a straight rental and maintenance contract is the easiest to have adopted, and the best for both parties, unless there is some specific reason demanding purchase.
>
> The machine in Connecticut records the vote on a perforated card, in triplicate, in 10 to 15 seconds. Any number of duplicate records also can be made. The indicator boards can be kept illuminated or dark while the vote is recorded. Some states display the totals continuously while the members are voting, with the latest totals appearing every six to ten seconds depending on size of the machine. No state ever has given up electrical voting after having once used it.

I was very fortunate in obtaining the co-operation of this company, which has its main office in Richmond, Virginia, in having them send up the demonstrator unit to allow hon. members of parliament and others interested in the procedure to see the machine work at first hand. I received some criticism from some hon. members about the fact that this machine is manufactured by a United States firm. I should like to draw to the attention of the house the fact that these machines are rather unusual. This was the only company I knew of in the United States that manufactured these machines and I do not believe any companies in Canada make such units although I believe it would be possible to have one made here.

I noticed the reference of the Minister of Finance (Mr. Fleming) to his having seen a similar machine in India. I was advised by the people who make this machine that the one in use in India was based on their unit. The people from India came to view their machine and upon returning to India designed a similar one for their own use. I have put forward this information about the machine with the thought in mind that should it be favourably considered by parliament it could be decided to have a Canadian company design and make such a machine.

With regard to the House of Commons itself I would envisage the tabulator boards being placed on the panels above the clocks on each side of the house. It would be necessary to have the 265 names on the board. At each desk there would be a toggle type switch similar to a light switch which would record a yea and nay vote.

One of the first questions I had asked me was what is to prevent a person sitting in the seat beside you from reaching over and recording a vote. I suggest that we would have to do what was done in various state legislatures, pass legislation making it an offence to do that. There would also be the check of the board being visible with lights in red or white indicating a yea or nay vote. Each person would be in a position when a vote was recorded to see whether or not an hon. member was in his seat.

One other advantage of this particular type of machine is that there is a switch which calls for page service. This is accomplished by having a board with numbers corresponding to the various seats in the chamber with a light for each seat. The panel could be located in the lobby. By pressing a switch any hon. member requiring a page could have a page come silently to his desk without the usual finger snapping that is necessary to bring a page to us under our present system.

As I said the machine can register a vote in some 15 to 30 seconds. It think it would be of particular value in the committee stage of the proceedings, for example on a bill such as the bill of rights when the hon. member for Essex East (Mr. Martin) introduced innumerable amendments. There would be a considerable saving of time through the use of a machine that could handle a vote in 10 or 15 seconds rather than the three or four minutes required by a standing vote. It would enable us to bring in more amendments and dispose of them much more quickly.

One rather humorous aspect in connection with the machine that was drawn to my attention is that the machine is put in operation in the various state legislatures by the speaker of the legislature activating a switch which rings a gong. I was advised that in the state of Maryland which is noted for its horse racing whenever the gong rings the majority of the people in the legislature immediately shout "They're off!" which lends a humorous note to the proceedings.

I have attempted in my comments with respect to the procedure to draw to the attention of the house my own views as a relatively new member of parliament. I realize that I have not had the experience of many years here and there may be readily discernible faults in some of the remarks I have made. I appreciate the necessity for old age, maturity and experience in examining certain matters but a new member coming to this house has an opportunity to examine the procedures and ask why this or that is being done, or why there is a necessity for continuing this or that practice.

One matter that has come to my attention is this. I observe that under rule No. 28 I would have to remove my hat, if I were wearing one, before I could rise to address you, Mr. Speaker. I realize that in the early days because of drafts in the chamber hon. members might well have worn hats while in the house and this was perhaps a necessary rule but in this enlightened period of air conditioning and central heating such a rule remains as a humourous anachronism. That is an example of a rule that should be changed.

Mr. Martin (Essex East): Is that the rule about the right of wearing one's hat?

Mr. Drysdale: Yes.

Mr. Martin (Essex East): Let us not destroy that tradition.

Mr. Drysdale: My friend the hon. member for Essex East seems worried about the situation. Perhaps in consideration of the hon. member's sensibilities we should keep our hats on.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, it is interesting and perhaps not inappropriate that we should be discussing this report designed to improve our procedures on the 144th day of our session after *Hansard* has broken all records in the number of pages that have been filled. As has been said by other hon. members it is a useful report, one unanimously brought in by the committee and I hope it will win the unanimous support of the house.

Our rules and procedures are designed for many purposes, to minister to the efficiency and the order of our business, to make parliament function as effectively as is possible and also—and this is an important purpose —to protect the rights of the minority in the house as well as to facilitate the business of the house.

In the 1956-57 issue of the *Queen's Quarterly*, volume LXIII, there were some very interesting articles on parliamentary procedure including one by Your Honour which I should like to quote but perhaps I should not. There was also one by a man who over the years in this house established himself as a recognized expert on our rules and procedures, Mr. Stanley Knowles. Mr. Knowles had this to say:

> It is—important, as Bourinot puts it, "to protect a minority and restrain the improvidence or tyranny of a majority,—to enable every member to express his opinion—to give abundant opportunity for the consideration of every measure, and to prevent any legislative action being taken upon sudden impulse."

That concludes the quotation from Bourinot. Mr. Knowles went on to say:

> That is the problem that faces anyone who would seek to improve our parliamentary procedure: to maintain a balance between getting the business of the country done and protecting the rights of those who have been chosen by the citizens of the country to speak for them in relation to that business.

It is the reconciliation that Mr. Knowles talks about we are all anxious to achieve. This report makes some recommendations which I think will be useful to that end. It seems to me the changes are very sensible ones as far as they go but perhaps something more far-reaching is required not only in connection with our rules but in connection with our conduct of business if we are to make our parliamentary procedures work more efficiently as we all want to do as parliament faces new, more difficult and increasingly complicated problems. I believe we all want to do that without destroying or weakening the traditions of parliament which are our heritage and which we wish to preserve, especially the spirit of those traditions.

When parliament does not operate effectively that leads to the loss of public confidence in and public respect for our parliamentary institutions. This erosion, if you like, of confidence and prestige is, I submit, a greater danger to our institutions than direct assault upon them. The feeling —and there seems to be a growing feeling although it goes up and down; at the moment it seems to be going up—that we are not doing our work efficiently; that as an institution we are not meeting in the most effective way the problems that confront us; that our parliamentary business is not well managed. All this does undoubtedly lead to that deterioration of public confidence in parliament which we all, whatever party we may belong to, wish to avoid. We all have our share of responsibility for this. I think the government has the major share of responsibility because it has, up to a point at least, control of business and organization, but we all certainly do have our share. Also the rules under which we operate share in that responsibility, and that is why it is wise from time to time that we should look at them, as we have done this session.

As the Minister of Trade and Commerce (Mr. Churchill) pointed out, in 1955 an examination was made of the procedure of the house, which had not been seriously altered since 1880, although changes have been made since then. The minister pointed out that another change was made in 1927, which was the first time that a time limit was placed on speeches.

[Mr. Pearson.]

In 1955 the government of that day had hoped to make more far reaching proposals for change than were in fact submitted to parliament but there was difficulty, as some hon. members who sat on that committee will recall, in getting unanimous agreement to those changes, and it was felt then that the government should not use its majority to force those changes any more than the government has attempted to use its majority for that purpose in the work of this particular committee. In 1955 I think it can be said that only relatively minor changes were made. The changes that we have before us are, while useful, perhaps not of major importance in altering our procedures and our rules.

The Prime Minister (Mr. Diefenbaker) made a statement on this matter on July 21, on which he anticipated some of the provisions of this report and made some comments on some of the recommendations. He mentioned that in his view we were spending too much time on questions. I do not want to be unfair to him; perhaps he would say on the wrong kind of questions. I have what he said in *Hansard* on that date. He said that the extra time which was now devoted to questions, although he did not precisely define, because it is difficult indeed to precisely define, what he meant by "extra"—extra from what, but the extra time—the Prime Minister thought had added 14 to 17 days to the present session at that date. I would be interested to ascertain from the Prime Minister the nature of his mathematical calculations which he got from the extra time devoted to questions at this session to total 14 to 17 extra days. Perhaps our question period has begun to exceed the length of previous years, although I am not so sure of that, but I would not think that it had reached any excess, at least to that extent.

I agree there is something to be said—and I speak as a member of the opposition; the opposition are always very sensitive and jealous of their right to ask questions on anything, always subject to the Speaker's guidance; my hon. friends opposite will know what I mean when I say that—for the British practice of putting a limit on the kind of questions that can be asked orally. I welcome the announcement that there is to be a committee next session and I repeat what has been said on this side. It is our hope that that committee can be set up early and that it can be given lots of time and lots of opportunity to go into this whole thing from its foundation and return what will be the kind of unanimous report which we have before us.

Perhaps this is one of the things that they can look into when they go into procedure.

If our questions are becoming too long, so are some of our answers. A long question sometimes produces a short answer and a short question sometimes produces a long answer. While the opposition may have to accept its share of responsibility for this, and we do, the government must also share some of the responsibility by giving answers to questions which on this side do not appear as spontaneous as ours, and answers to questions which are used for the purpose of enunciating government policy sometimes and matters of policy. The Prime Minister will forgive me if I refer to the question the other day on the automobile industry which brought the announcement that a royal commission was going to be set up. Now, our question period may be deteriorating in other respects than length of time, and perhaps we all have some responsibility for that. This is something I am sure which the committee, on which all parties will be represented, would be glad to look into.

When the Prime Minister indicated that in his view this deterioration in some respects was taking place in the question period I looked up the record and I found that a couple of days after the Prime Minister's statement, on July 27 and 28, there were 12 questions from government members of parliament and only 13 from the opposition. I hasten to add that that is not a normal situation. But questions do come from all sides of the house and we all bear our share of the responsibility for the length of questions, if they should be carried on at an inordinate length.

The Prime Minister also made the statement, as reported at page 6673 of *Hansard*, that we should be careful about complaining too much about being overworked, the length of the session and that kind of thing. I agree with that. I suppose that parliaments from 1867 on have got themselves at one time or another into a position where they complained about overwork, managing the session, the length of speeches, and all the rest of it, sitting into the hot weather and not getting home; but the Prime Minister supported that statement by saying that they had much longer sittings in the United Kingdom where each session, he told us, was approximately 200 parliamentary days. I was surprised at that and perhaps the Prime Minister may not have meant to use that figure.

Mr. Diefenbaker: Two periods of 75 days each.

Mr. Pearson: I will quote what the Prime Minister said:

> In so far as the United Kingdom is concerned, that parliament sits in each session for approximately 200 parliamentary days.

This may well be our longest session. I do not think we have reached the record yet. We have sat only 144 days and if those two figures are right, we certainly have no cause for complaint. I checked the record again and I found that in 1959 the United Kingdom parliament sat for only 142 days, and so far this year it has sat for only 116 days. But in any event, I think we can learn a good deal from United Kingdom procedures. We have in the past, and I think we can in the future. While we do not wish to copy everything that is done by Westminster, they have had a great deal of experience and we can adopt some of their changes in recent years to our own situation. Perhaps we can make some progress in that direction.

Surely what is required is that without abandoning or weakening our traditional practices and procedures we could strive to improve and recast them, if necessary, in the interests of the efficient organization of the business of parliament, and for that the cooperation of everybody in the House of Commons is required. Above all in this respect, and this has been mentioned previously in this discussion, it is of primary importance to plan the work of the House of Commons and to organize that work, if possible by agreement, the kind of agreement which is now customary. Like so many things that are customary in the United Kingdom, it is almost more effective than if it were written. In the United Kingdom, the time to be allocated to important features of legislation is worked out in an informal way, of course with the knowledge and consent of the Speaker who, I believe, can overrule these informal agreements if he so wishes. Perhaps this would be worth looking into, as a way in which we could improve our procedure for the conduct of debates in this house.

Then, of course, a good deal has been said, and a good deal should be said, about the use of committees, committees not merely for partisan witchhunting on either side, committees not merely to get the government out of difficulties or to assist the opposition in creating difficulties for the government, but committees which would take some of the burden off the House of Commons as a whole without prejudicing or preventing in any way the full participation of all members in the House of Commons itself. We could gain something by a further look at the United Kingdom practice in this regard. The Prime Minister asked a question a few moments ago about the United Kingdom committees, and it is my impression that certainly some of the standing committees are set up at the beginning of the session. It

is surely important that we try to do that in this House of Commons. If our rules and procedures make that now impossible, and I know there are some difficulties in that regard under our present rules, we could change those rules for that particular purpose to get our committees started early. We could take all the necessary steps to change our rules to make that possible.

Then there is something else—in fact, there are a great many other things which I am not going to mention—and I mention this with some diffidence as it would be a great break with tradition. Perhaps before I come to that I should express my most hearty agreement with the suggestions that have just been made about improving our voting facilities. I do not see why it is any reflection on the democratic process if we are recorded in one way or in another way, provided we are recorded. There are ways of doing this, whether you stand and are counted or whether you are counted without standing, and so long as the principle of an individual record is maintained I would hope we could reduce the 10 or 15 minutes required for that purpose.

I believe there will be agreement that over recent years there has been an assimilation, if that is the right word, of the debate at the resolution stage of the bill to that of second reading which was never meant to take place and which, in earlier days, I do not think did take place. There is a historic reason for the resolution stage of any bill involving public expenditures and it goes back to the 17th century when the crown had control of the purse. This was a way of ensuring that control would come under common scrutiny. This particular justification for the resolution stage in the debate no longer exists. There are other justifications, but if we are to maintain these two stages I think we should look into the process of debate in each stage, and at least examine into the possibility of having merely one debate instead of two. Perhaps this would be going too far, but at least it could be examined. I will conclude, Mr. Speaker, merely by expressing my support for those changes that are suggested, and my strong support for a further, perhaps more complete examination of our rules and procedures by a committee next year than this committee was able to give for reasons which had nothing to do with the competence of the committee and certainly nothing to do with the competence of the chairman. Tribute has already been paid to him, and I think tribute should be paid to the committee as well. We who believe in parliament, we who love parliament, and that includes us all, whether we are on the government side or on the opposition side, are all concerned with making parliament the most effective agency possible for meeting the problems which are facing it now and will face it in the future. We have had some very good illustrations of this problem of the importance of organization at the procedural level in this session. If we do that, we can not only make our work here more effective but we can strengthen the prestige and the good name of parliamentary institutions themselves.

[Mr. Pearson.]

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): As a new member I hesitate to take part in this debate on this motion regarding the rules of the house. I have only one comment to make at this time, and that is with regard to the growing practice of members who are speaking to continue their remarks even when Mr. Speaker has risen to call order. I mention no particular member, but I can see a few offenders in this regard. The chief offender is not present. I should like to suggest to the committee on procedure which will be set up next session that a recommendation be made to the effect that when you rise, Mr. Speaker, the *Hansard* reporter immediately cease to report the words of the person speaking. I believe this would end many of the comments which now appear on *Hansard* after you have called order.

I hope that this suggestion will be considered by the next committee on rules and procedures. I might say that the present practice of continuing to speak after Mr. Speaker has risen has been drawn to my attention with very caustic comments by visitors in the gallery.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have waited to make my remarks on this report until most of the members who may wish to speak on other parts of the report have spoken. I want to refer to only one paragraph near the end of the report, and I hope to confine my remarks to that paragraph. The report of the committee includes this paragraph:

> It is therefore recommended that a similar committee be appointed early in the next session to carry on these studies including the procedure on private bills of divorce which the committee has been asked and is willing to consider in so far as the problem is capable of procedural solution.

We are very pleased that the committee had the courage and took the opportunity of making this recommendation. It seems to me that after its consideration the committee will find that very little is to be gained from considering the matter from its procedural aspects.

However, this was necessary. It is necessary for parliament itself to admit that there is a problem in handling divorces in parliament,

and I am sure that when it examines the situation the committee will come up with the recommendation that a larger committee has to be established which will take in the other house as well as this house in the deliberation as to what will be the final solution regarding this matter of divorce.

We concur in the report in so far as they are willing to discuss this matter and to give consideration to the procedure. I hope, and I am sure, that they will not come up with only a solution of eliminating the opportunity of debate on private bills of divorce, but will come up with a solution that will say that private bills of divorce are not the same type of bills as other private bills sponsored through parliament.

This problem of handling divorce in parliament is not unique to Canada. The same problems have arisen in Europe. They have been predominant in the British parliament, and it is not many years ago that the matter was debated there and conclusions arrived at, when they eliminated some of the problems as they affected the senior parliament in England.

I would recommend to those who are interested in the changes that have been made in England that they read a small novel written by A. P. Herbert called "Holy Deadlock". He wrote this small book, which is a take-off on divorce procedures in that country. It points out the amusing situations that people in Canada get into when they try to get a divorce. I think members would not only be amused in reading this; they would also come to the conclusion that the British people came to, that it was not enough to make a mockery of parliament, but that something had to be done about it. He was subsequently elected to parliament and the divorce laws they have now were introduced.

This problem has also been a problem in all the commonwealth countries. Australia has done something about it in the last two years. New Zealand has given consideration to the problem. It has been discussed in Canada over the years, and we can go back to the years of J. S. Woodsworth when he discussed this matter in the House of Commons. He was shocked with the things that were happening then in relation to divorce. He continuously pestered the government of the day, and Mr. King finally said, "If you will get the province of Ontario to petition us, we will be glad to set up a court in that province". I think public opinion, and probably not Mr. Woodsworth, was responsible for the petition being presented, and subsequently divorce courts were established in the province of Ontario.

Mr. Pallett: Mr. Speaker, would the hon. member indicate the year of this petition to which he refers?

Mr. Peters: The petition was presented, I believe, in 1928 and 1929, and the divorce courts in the province of Ontario were set up in 1930.

The debates in parliament indicate that this was a very pertinent matter in 1928. Mr. Coldwell, Mr. Knowles and other members of the C.C.F. party, as well as many other members of parliament, have over the years spoken of the problems, the disgusting problem that faces parliament when it has to discuss these things on which it has to pass judgment, things they are not completely fimiliar with and that in the main they do not want to have anything to do with.

Mr. Speaker, when I was first elected to the House of Commons the first experience I had in knowing that we were going to have to discuss and have some consideration for legal matters was the Terry case. In that case, as I remember it, the hon. member for Timmins (Mr. Martin) and I were both shocked with the fact that the woman in that case, if the divorce was granted, could be under the laws of the province of Quebec—over which we had no authority—left completely destitute, although it was pointed out that she had put a large sum of money into a company and this company over the years had developed into something worth while.

Mr. Speaker, we spoke on that particular case long enough that it did not pass parliament. It returned to the Senate the next year, and they did not see fit to pass it for the second time. It was reintroduced, I believe, this year and no consideration was given to it.

A divorce is granted in parliament in quite a simple way. People from those provinces who have not the right of redress in their own provinces can come to the federal government, because the British North America Act gives the federal government the right to rule on marriage and divorce. They can come to parliament and petition for relief for any reason they wish. The one that most of them appeal on is relief from a marriage to the other party.

This year 609 applications were made to the Senate divorce committee. Each one cost $210 for the application. This amounted to $127,890. Of these, 492 cases were heard and passed; seven were turned down for lack of evidence as to adultery; 15 were withdrawn; 95 were not ready to be heard at the current session; 12 were contested before the Senate committee.

The Senate committee operates in a manner similar to a court. They have rules which they set for themselves and they have decided on what grounds the divorce action will be accepted. They are composed of a central committee, with three subcommittees, each

having three members. So it is not very difficult to ascertain how much time is taken up in the Senate on the matter of handling divorce actions.

The House of Commons, on the other hand, gives consideration to these bills in the form of first and second reading. They have the opportunity of going before a committee of the house and returned for third reading. They then only obtain a decree absolute when the Governor General gives royal assent.

Some of the problems that we are faced with, in my opinion, are these. The committee is not a court, despite legal advice to the contrary. Power on Divorce, in the fourth supplement, points out on page 35, under section 22 dealing with parliamentary divorce in general:

> The Senate's committee on divorce is not a court of justice: its report is not a judgment.

This resulted from the case of Coorsh *versus* Decker (1956) Quebec, Canadian Current Law, 1038. Mr. Speaker, if it were a court of law, many of the things that happen in that committee would not be allowed to happen. We in the House of Commons, and particularly our chairman, have patterned our action on the action of our counterpart in the Senate. I believe that while the Senate has operated to the best of its ability and has set up a procedure of certain rights and certain conditions, the House of Commons in its committee has never set up a set of rules and does not operate according to any particular procedure.

The committee itself has no competent legal advice. It has the use of the house lawyers, and certainly it has a great deal of free advice from lawyers on that committee. But there is no particular legal advice that is worthy of consideration as far as the committee itself is concerned.

It is true that there has been advice given by the house lawyers as to jurisdiction and constitutional problems, but the ordinary jurisprudence that would be decided by a judge is, in my opinion, lacking in this committee. The committee has no power to call witnesses. This has been a problem that has caused a great deal of difficulty for the last year or so. The advice in the past from those who were consulted was that this committee did not have that right because it was a private bill; it was asking for information on private matters.

Mr. Speaker, I would point out that in my opinion this advice is wrong. This committee has the same rights as any other committee and I refer you to page 1098 of *Hansard* for February 16 of this year where various standing committees were set up, including the miscellaneous private bills committee. At page 1099 under the heading "Powers of committees", the Prime Minister (Mr. Diefenbaker) moved:

> That the standing committees of this house be severally empowered to examine and inquire into all such matters and things as may be referred to them by the house, and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

I think we have had this power for some time, but I also think we have never exercised it and on many occasion have been advised that we did not have that power. Therefore many people who have been brought before this committee have been unable to prove their case because they did not have the right to subpoena witnesses and bring reluctant and at the same time hostile witnesses before the committee.

Mr. McCleave: Would the hon. member permit a question. Who has asked for that right?

Mr. Peters: That is true, but I think that whenever they phoned the clerk they have been given that advice and therefore did not appear before the committee and ask for that power. I think it was assumed by the clerks of the committee that they did not have the right to make this type of application.

Mr. McCleave: Nonsense.

Mr. Peters: The chairman of the committee says nonsense. I think frankly the whole committee has been nonsense and I include in that some of the actions of its chairman, who has set himself up in the position sometimes as judge as well as part of the jury.

In some cases where perjury is being committed, where one party testifies to a fact and the other party contradicts it, I think it would be to the advantage of the public to have the right to investigate and call witnesses to prove perjury was committed and to arrive at some decision about it.

Another problem with this particular committee of the House of Commons has been that the jury itself keeps changing. A juror will come in at the last moment prepared to decide a case he has not heard at all, and those jurors who have sat there and heard the case will get up at the last moment and leave.

Mr. McCleave: You do it all the time, the two of you.

Mr. Peters: I think another problem is this matter of never being able to investigate the charges which have been made, and I would like to refer to a case of a year or so ago when one of the corespondents showed statements from gas station operators to the effect that he had been in another town and

it was quite within the realm of impossibility for him to be where he was supposed to have been if only he could have proved it. I think in that particular case we should have had the right as a committee to investigate to find out if that was true or not.

One of the biggest problems affecting the whole operation of parliamentary divorce is this matter of our lack of jurisdiction in relation to children. We have continually been brought to task for mentioning the children, yet every law on the statute books of almost every country as far as I know has given predominance to the welfare of children in the matter of divorce. Those countries have always bent over backwards to see that the religion, the welfare, the stability and the education of those children was given paramount consideration. Yet we pass divorces in Canada where we have not the right to say that the children will receive any type of protection or settlement at all. We have given no protection to a wife who is framed, which I think has been the case in several cases, and in particular I refer to the Terry case.

There is another grave failure with this committee, and it is only one of many, and that is the fact that these divorces are granted in the main to people living in the province of Quebec, yet very few Quebec members ever sit on the committee or take any part in deciding what should be done with cases arising from their province. It seems to me that many of them have shirked their duties in refusing or not accepting the responsibility of sitting on the committee.

Mr. Speaker: I think the hon. member is going a little beyond the scope of relevancy here.

Mr. Peters: Mr. Speaker, last but by no means least is the fact that these divorces are very expensive and only apply to those people who are in the well-off bracket or are fairly wealthy. It is estimated that a divorce costs anywhere from $1,500 to $2,500, going as high in some cases as $20,000. So it means that divorces before parliament are very expensive and the length of time taken to obtain them is long and can be very costly.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Peters: Mr. Speaker, during the current session of parliament we have discussed individually some divorce bills that came before us. The press, radio and other media have given consideration to the matter of divorce as it has been discussed in this chamber and this has created much interest, not only with respect to the principle we raised of removing divorce from parliament but with respect to the wider field of divorce law. This has produced some interesting results. Not long ago on its program called "Close Up" the C.B.C. had a young lady appear—

Mr. Speaker: Order. I think the hon. member should confine his remarks about divorce to the question of parliament dealing with any procedure in divorce. We are not interested at this time in the substance involved in divorce. In my view it would be outside the scope of this discussion to deal with other than procedural problems.

Mr. Peters: Mr. Speaker, I was not going into that field. One report on that broadcast had this to say:

> Some of the fuss borders on burlesque. In Ottawa, for instance, Senator Roebuck, a lawyer, has been reported as suggesting that the woman and the C.B.C. should be prosecuted for disseminating false information and evidence. If Senator Roebuck spoke out instead for modernizing the crazy law which made the program possible he would have been doing this nation a greater service.

The report goes on to say—

Mr. Speaker: Order. With all due respect I think the hon. member is getting away from procedural problems into the substance of the matter when he refers to the divorce law itself.

Mr. Peters: What we have attempted to do in the house is remove divorce from the jurisdiction and responsibility of parliament but others have raised other considerations the interest in which I believe will continue to grow in the months and years ahead.

Much has been said about some things that happened here in this chamber. I have in my hand a translation from *Le Petit Journal* of Montreal of an article entitled "Unscrupulous Detectives Make a Racket Out of Divorce" by Alain Stanke in which the author described an interview with one of these detectives. They had been discussing the price of a divorce. A portion of the article reads as follows:

> Then he became more precise: "If your wife also wants a divorce, then it's in the bag. If she doesn't want one, it is still possible to get one, but the chances are it will cost you a little more. Have you a lawyer?"
>
> "No—I don't know one—I don't know what one is supposed to do—" I reply innocently.
>
> "So much the better. You are always better off to start by getting your evidence, then you can go and see any lawyer at all. Otherwise it will cost you more. Normally, it takes $1,000 for a lawyer and his costs. As for us you have nothing to worry about. Our discretion is assured; we will give the evidence in Ottawa—it will not be the first time—"

It continues in that vein. The article highlights the problem we are faced with in dealing with the evidence presented by lawyers in the stereotyped hotel or motel divorce case.

The Senate can probably be excused for making some mistakes because of the sheer volume of the cases they handle. I am sure they get tired of asking the same type of questions. This year we had one or two cases which highlighted the points we have dealt with in each case.

I will refer to only one, the Eccles case, which was referred back to the miscellaneous private bills committee. The committee heard the conflicting evidence of the petitioner and the respondent. In this case, somebody obviously committed perjury. Collusion was also charged in the case. In my opinion, and in the opinion of many newspapers, many of the faults we say are inherent in most divorce cases that go through parliament were illustrated by the Eccles case.

The case has been referred to the Minister of Justice (Mr. Fulton) for a decision. The hon. gentleman has done what the house has always done with respect to these cases. He took the position that he was not concerned with it and that it should be referred back to the Senate. On the basis of questions I have directed to the minister on this subject we can assume very little will come of it.

I have a photostatic copy of a document, the presentation of a process server of the city of Montreal, in which it is charged that the address at which the lady in the case was served originally was the Y.M.C.A. Subsequently it was changed to No. 1248 at a certain street. To the best of my knowledge and information no such person resides at that address. I am also sure she was not at the Y.M.C.A. although someone probably accepted and signed the document there in the first place. On July 29, as reported at page 7192 of *Hansard,* I addressed a question to the Minister of Justice about the alleged perjury in the Eccles divorce case. The minister replied as follows:

> The hon. member's question anticipate something which has not yet commenced, that is, an investigation by the R.C.M.P. A day or two ago I received a letter from the chief of the committees branch transmitting to me the report of the committee, and I also received a day or two ago the transcript of the evidence.
>
> In considering this matter I have felt that inasmuch as the matters concern themselves with two possible species of misconduct, first collusion and second perjury, and inasmuch as either or both of these, if they occurred, occurred also and primarily with respect to the proceedings before the Senate committee, it should be only appropriate that I should communicate with the chairman of the Senate committee to see whether that hon. Senator or his committee felt that there was further action their committee decided to take in the matter.

I again put this question to the Minister of Justice on August 3, and it appears that finally the Senate decided to do nothing about it and referred the matter back to the Minister of Justice who is now looking at it with a view to turning it over to the attorney general in Ontario or some place else.

This is not good enough. If we honestly think we should be handling divorce cases in parliament we should set up the machinery which would make it possible not to make such a farce out of the whole proceedings. This committee and the Senate committee are possibly the most expensive kangaroo courts that there are in any place in the world and the injustice of a kangaroo court—

Mr. McCleave: On a point of order, the hon. member has referred to the committees of the Senate and the House of Commons as taking part in a kangaroo court. I suggest that that is unparliamentary, and the hon. member should be asked to withdraw that statement and if he does not withdraw it he should be told to withdraw it.

Mr. Speaker: I do not quite know what a kangaroo court is. I think it is not complimentary. It is not in order to talk slightingly of committees of this house or of the other place, and I hope the hon. member will rectify what he said in that respect.

Mr. Peters: If there is objection to the remark I will be happy to withdraw it. I did not mean it to be offensive. Kangaroo courts are courts which used to be held in the army and their verdict did not necessarily meet with the approval of the judicial authority. But we will withdraw it.

Mr. Howard: What about trained seal court?

Mr. Peters: Yes, it could be a trained seal court, because it is certainly a rubber stamp. I hold in my hand a copy of the Toronto *Star* containing an article headed: "Charge M. P. Divorce Job Rubber Stamp Process". This amounts to what I said, though perhaps it is expressed somewhat differently.

This is what Mr. Rogers said. He said he was strongly suspicious that the Eccles case is not the only one involving collusion and perjury which has gone through the house this session. Moreover I would point out that only 25 or 30 cases have gone through the house this session. In most of the cases, Mr. Rogers said, there were genuine grounds for divorce, but he did not think that adultery—the only grounds on which parliament grants divorce—was really involved. He says that

the hon. member for Davenport (Mr. Morton) says that the house does nothing else but rubber stamp these divorce bills. He continues:

> It is very difficult to detect collusion or perjury or anything like that. We get the sworn evidence and all we can do is read it through. If there are glaring discrepancies, we will spot them but otherwise we have no way of even suspecting that everything is anything but above board.

The hon. member for Lincoln, (Mr. Smith) a third member of the committee, said he has never been entirely satisfied that parliament should be dealing with divorce cases. If it continues to handle them, he said, the Senate should be provided with some sort of machinery which will enable its divorce committees to make sure that divorces are not obtained through collusion and perjury.

There was a television broadcast the other day, and I will apologize if this is not a correct transcript; I took it off a tape. Senator Roebuck had this to say:

> A marriage breaks up—it is gone.
> It is no longer in existence except technically. And they say, how can we dissolve it? There is only one way and that is for one or the other to commit adultery or at least appear to commit adultery. So witnesses will come and describe one or other of them in an embarrassing position and we sit there solemnly and carefully giving it the very best that we've got in judgment—

Mr. Speaker: The hon. member is getting back again to the grounds for divorce or the substantive law of divorce. We are dealing with divorce bills as a procedure of parliament and not with the grounds for divorce, or the law which permits divorce.

Mr. Valade: On a point of order, may I draw the attention of the house to standing order No. 34(2) which says:

> Mr. Speaker or the chairman, after having called the attention of the house, or of the committee, to the conduct of a member who persists in irrelevance, or repetition, may direct him to discontinue his speech, and if then the member still continues to speak, Mr. Speaker shall name him, or, if in committee, the chairman shall report him to the house.

I would ask that the hon. member should try to be relevant in his remarks.

Mr. Howard: On a point of order, I would point out that if that rule were rigidly enforced the house would be three quarters empty most of the time.

Mr. Peters: I was pointing out that everybody is of the opinion that there are certain things wrong with the procedure here. Senator Roebuck went on to say:

> It may be that one or other of the parties commits adultery for the very purpose of getting a divorce.

The hon. member for Halifax, the chairman of our committee, pointed out on the same program that about 150 of these cases are hotel and motel cases of which at least 50 per cent are dishonest or rigged. This statement coming from the chairman of the committee and the other statements I have quoted clearly show that we should be doing something about the present situation. Now is the time for action to be taken. I should like to read a short excerpt from a letter sent to Mr. Claude Gauthier, the secretary to the Prime Minister, and I would suggest that if the Prime Minister knows about these things, this is rather shameful conduct, too. There was a letter sent to the Prime Minister, I presume—

Mr. McCleave: I rise on a point of order. I think the hon. member has imputed shameful conduct to another member of this house and I suggest, again, that he withdraw, and if he does not do so, that he should be ordered to withdraw.

Mr. Speaker: I think the hon. member for Halifax is perfectly right. I was considering whether the reference to shameful conduct referred to the writer or to the recipient of the letter, and the hon. member for Halifax who raised this point of order has obviously concluded that it referred to the Prime Minister. I thought it referred to the Prime Minister, and that remark should certainly not have been made in the context of a debate in this house, and the hon. member for Timiskaming ought certainly to withdraw it.

Mr. Peters: I do not know if the Prime Minister was aware of this correspondence or not—

Some hon. Members: Withdraw.

Mr. Speaker: If the hon. member did not intend to impute shameful conduct to the Prime Minister he ought to make it clear that his remark was not intended to apply to the Prime Minister.

Mr. Peters: I do that, Mr. Speaker.

An excerpt from this letter reads as follows:

> Now I am in a state of suspended animation, married yet not married, why! Simply, according to your letter, because a Mr. Howard and a Mr. Peters whom I have never heard of in my life before have decided that it should be so! What mysterious power do these hon. gentlemen have.

Mr. Speaker: Again I must ask the hon. member to come back to the point of debate. He is now reading from a document which reflects on the conduct of himself and another member of the house, and it is quite out of order. What we are debating is a report of the committee on procedure and in so far as the procedure on private bills of divorce is related to that report it can be discussed. If the hon. member can bring

himself back to that point, I hope he will do so. Otherwise, I think perhaps he should discontinue.

Mr. Peters: I should like to refer to some alternatives to the present arrangement, alternatives which I believe to be an improvement on the present procedure. The first would be that Quebec and Newfoundland should set up divorce courts of their own and deal with these cases. If this is not in keeping with the wishes of Newfoundland and Quebec, then I think my second suggestion would be equally good, namely that we should set up a federal divorce court in the exchequer court in the same way as they set up a divorce court in Britain under the admiralty and probates court. The $100,000 which is now paid annually in respect of the present procedure would more than support one or two judges and the clerks necessary to run such a divorce court. This court would sit only in the province of Ontario, in Ottawa, and it would handle divorces not only from the two provinces I have mentioned, but from other provinces.

A third alternative, and one which I consider a poor one, is that the Senate, which does not handle these matters too well, should have power to handle—

Mr. McCleave: On a point of order, the hon. member is making disparaging remarks about the other body of parliament, which I submit is unparliamentary.

Mr. Peters: Mr. Chairman, on the point of order, I can express an opinion that I do not think these divorces have been handled properly in the Senate, or as well as they should be. I do not think that is unparliamentary.

Mr. Speaker: I think it would be drawing rather a fine line to rule out comment on the procedure of handling of divorces before committees, which reflects no more than on the conduct of proceedings, but does not reflect on any particular member.

Mr. Peters: If it was given the full authority to handle divorces, and all that parliament would be asked to do would be to endorse them, it would be in keeping with the bill before us now in the name of the hon. member for Davenport (Mr. Morton). This would be a method that I think would not be as good as some others.

Fourth, we could establish in Canada a domicile which would allow people to have Canadian domicile and, if they did, then they could get a divorce in any province that handles divorces in Canada. This would probably be a satisfactory method of dealing with them without solving the problem at all.

Fifth, there are other methods such as allowing people to get United States divorces and recognizing them in Canada; but it seems to me that the answer to this problem is going to be devised only when the House of Commons and the Senate set up a joint committee and decide that they are going to solve the problem of parliamentary divorces.

Certainly this procedural motion is a step in the right direction because we are going to find that under the rules no matter what we do with it we cannot solve this problem, and that we are going to have to look farther afield. I think one of the places we should look is in the direction of a joint committee of both houses. I am quite sure that that committee will come up with the conclusion that we are going to have to divest ourselves of the responsibility that we really have never given much consideration to in the first place.

I think that Canada is ready to take the step that Australia, New Zealand and Britain have taken and set up a divorce court which will handle these matters in such a manner that the ends of justice will be served and the rights of the people themselves will be respected.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

(Translation):

Mr. Fortin: Mr. Speaker, I rise on a point of privilege. The hon. member for Timiskaming (Mr. Peters) who just sat down stated in his remarks that members from the province of Quebec are refusing to shoulder their responsibilities with regard to divorce bills.

I think that the phrase "refusing or not accepting their responsibilities" is a reflection on the integrity and honour of Quebec members.

I must say, indeed, that if Quebec members refrain from taking part in discussions on divorce bills, they have two major reasons for doing so.

The first one pertains to civil law; the second one to religion.

From the point of view of civil law, the Civil Code in the province of Quebec provides that marriage can be dissolved only by the death of either of the contracting parties. Thus, if we spoke in favour of divorce bills, we would obviously run counter to existing Quebec law.

From a religious point of view, most Quebec members are practising Catholics, whose religion is opposed to divorce.

Consequently, we are not shirking our responsibilities as members of parliament; on the contrary, our stand in the matter is the one expected of us by our constituents.

(Text):

Mr. Speaker: I should probably have raised the point that the hon. member raises. As a matter of fact, exception was taken at the time to that remark in so far as it implied any dereliction of duty by hon. members from Quebec.

(Translation):

Mr. Ricard: Mr. Speaker, I do not intend to speak at any length in such an elaborate discussion on the procedure of the house. I do feel however, that I should say a few words as a member of the committee appointed to consider the procedure of the House of Commons.

On the whole, the previous speeches have been pleasant and quite informative. I just want to add a few personal impressions and suggestions.

Of course, the purpose of that committee was, if possible, to improve the procedure of the house. One does not need to follow the debates of this house very long before realizing that the rules are often transgressed. As evidence of this I need only refer to the speech of the hon. C.C.F. member for Timiskaming (Mr. Peters), a typical example of how those rules are abused.

His whole speech was made up of half-truths if not untruths. He cast aspersions on the personality of the Prime Minister (Mr. Diefenbaker) and of several members of this house.

As a newcomer in this house, I have not had an opportunity to make a thorough study of each and every rule which governs the proceedings in this house. In my view, there is more to be learned from listening than from speaking.

I would draw the attention of the house to the fact that proceedings here are not always edifying. They even reveal glaring abuses. Of course it is a right of hon. members to raise points of order or matters of privilege.

Reference has been made in this debate to ways of speeding up procedure, including the use of a vote recording machine. That is a worth-while suggestion.

If the proposals put forward were acted upon, private members might enjoy a little more family life.

Unfortunately, proceedings drag on and on. This year, we have been sitting 144 days, and apparently we are going to be here for some time yet.

An hon. Member: You are talking too much.

Another hon. Member: Order.

Mr. Ricard: Mr. Speaker, there are things that have to be said. But it seems that some members in the opposition fail to understand that some measure of control must be exercised in parliamentary procedure.

A number of committees have been set up. I am of those who believe that a great deal of work can be done in committee—thus sparing the house some delays—by expediting legislation which, after all, must meet the wishes of the people of Canada.

Just now, I referred to abuses. During this session, opposition members managed to deal with unemployment for 13 days, endlessly repeating the same things. In fact, the first speech made by the hon. member for Essex East (Mr. Martin) sounds very much like the last one he made on the same subject. Indeed, if we compare his first speech with his last, we note very little difference between the two.

Like the Leader of the Opposition (Mr. Pearson), I hope that the special committee will be established as early as possible during the next session, so as to enable its members to consider procedure properly and to improve the standing orders to the fullest extent.

(Text):

Mr. M. D. Morton (Davenport): Mr. Speaker, as one who is still an apprentice in so far as the rules are concerned and the purposes behind the rules, I am somewhat hesitant at entering this debate. However, as one who is interested in seeing that the house gets down to business perhaps more directly I should like to make a few suggestions with respect to the rules. When some of us first came into the house we thought the rules seemed a bit cumbersome, but as we began to study the purposes behind our rules our judgments became less severe. There are some things, however, that perhaps can be done and the report that is before us recommends certain steps which I believe will streamline our procedure to a greater degree.

There are one or two points I should like to bring to the attention of the house that may help us achieve our purpose. The first one is in respect of standing order 56 which sets out the days on which motions are necessary before the house can resolve itself into committee of supply, and further states that after six such motions all the estimates of the various departments should be before the committee. The opposition has an opportunity on any of these six motions to present grievances which they would like to have discussed. I would suggest, as the result of a recent experience, that after these six motions have been disposed of and the estimates are all

before the committee of supply the motion to go into committee of supply should not be debatable but should be in the same category as the motion for interim supply or the consideration of the supplementary estimates. This would enable more time to be spent on the discussion of the estimates.

I would suggest that when the rules were amended in 1955, the rules committee must have had that in mind when they specifically stated there should be six debatable motions for supply and yet they exempted the motions for interim supply. We have had a recent experience in this field when after the six motions were disposed of and a motion was moved to go into committee of supply, a want of confidence motion was moved which precipitated a debate. This debate could have taken place on the estimates of the Department of National Health and Welfare.

I noticed that on page 9 of the report of the committee the recommendation is to give public bills precedence over private bills from five to six o'clock on Fridays. I believe this recommendation results from the fact that private bills have occupied so much of the time of the house this year that the discussion of certain public bills has been prevented. I did think that perhaps if this house were to continue to entertain divorce petitions we should set up a separate category for these petitions. However, I know that is something that will have to be given a great deal of study before we would commit ourselves to such a suggestion.

I was very interested in the references to the procedures in other parliaments such as the ones in India and in England, where a committee is set up composed of representatives of the various parties and time is allotted to the parties to discuss certain matters. As I understand it, these arrangements are not really binding on the house, but it is an effort to streamline the debate and perhaps get more directly to the points at issue. This might be a procedure that could be studied by this house. Some members have made suggestions that our committees are too large and they might be more efficient if they were composed of a smaller number of members. I agree with this suggestion.

I should like now to turn to a matter that has been troubling many hon. members in this house, namely the manner in which divorce bills are handled in this house. If I may be permitted I should like to refer to the fact that they were faced with the same problem in England before 1857. Over a period of 150 years prior to 1857 the parliament of England dealt with 230 divorces. They felt, because they had dealt with this number over this long period of time, that it was a cumbersome burden on their house and they decided to do something about it. As a result, in 1857 the matrimonial causes act was passed by means of which divorce courts were established in that country. Here, in Canada, we have not had 230 cases over a period of 150 years, but this year we have had over 600 applications for divorce come before the two houses, the Senate and the House of Commons. Reference has been made to the fact that about 500 of these bills are still to be passed. There has been an average of 300 divorce bills each year for the last 10 years.

The problem was much easier of solution in England because there is just the one jurisdiction. It was only a matter of convincing the people who were opposed to divorce that if there were to be divorces granted there was a more efficient way of handling them. Unfortunately, in Canada, it is not as easy. I should like to try to bring this question into some perspective so that we may better understand it because a great deal of confusion has arisen as a result of accusations made in the press concerning the manner in which evidence is obtained for divorce proceedings. Even in our courts in Ontario there has been a cloud as to how evidence in divorces has been obtained, even under a judicial system. I think that with these accusations being made we should not cloud the issue until we see the problem that we have in proper perspective. What is the reason that these cases are before us in any event?

The previous speaker from the C.C.F. party mentioned that here is a matter where certain citizens in the provinces of Quebec and Newfoundland have a right, shall I say, to obtain something that they cannot obtain in any other forum. Since this house has jurisdiction to deal with divorce, they as private individuals petition the parliament of Canada in order that they may obtain some right of action to overcome their matrimonial difficulties.

I think we would be rather hasty to deny these people their right to apply here for a divorce. We would be denying them a fundamental right, just because it is a divorce, when for some other reason they may want to come to parliament to have their rights protected. But the fact that we do not want to deny them their rights does not necessarily say that this is the proper forum for divorce.

But having that in mind, Mr. Speaker, let us look at the proper role of the committee in dealing with these divorces. I think the committee of the House of Commons, the same as the committee in the Senate, must try to take the same perspective, the same

outlook as if they were judges in a court dealing with a divorce action that is brought before them.

There is some dispute whether that committee is acting as a court or is acting as an arm of the legislative body. Many of us feel that parliament as such is the supreme court of the country, and as such the committee of that parliament should carry out judicial functions. It is true that the committee has much more than judicial functions; it also has legislative functions. It also has the power, if it so wishes, to grant a divorce on any ground whatsoever.

An hon. Member: And does.

Mr. Morton: The hon. member says, "And does". I would dispute that. However, with that perspective in mind, a petition comes before the committee of the other place. That committee, using rules that they have set up and the best judgment that they have, come to certain decisions. Their decisions are then forwarded to this house in the form of a private bill. That private bill is in due course referred to a committee of our house and it is dealt with there by the members of the committee in a judicial capacity. Unless there is something very drastically wrong on the surface with the bill that is brought before it, the committee usually passes the bill in rather short order and, as some of us have said, we have more or less rubber-stamped the bill.

But there are a number of bills which we, in our examination, are suspicious of and cause further investigation to be made, and perhaps call witnesses or send them back to the other place for further consideration. Then a number of bills come before us that are disputed, where in effect we are made a court of appeal of the decision made in the other place. At that time the committee must sit as a court of appeal.

I think if we were to give the committee the proper designation and were not to falsely criticize its role we would realize that a person making an appeal before that committee must prove the facts that he alleges on the appeal the same as he would in any other court of appeal in the province. He has the right, I believe—although it has been stated that we have been advised to the contrary—to ask to bring witnesses before us, and I understand there are forms prepared which can ask for witnesses to be subpoenaed.

It has been stated that we have not the power to pay for these witnesses. But, Mr. Speaker, that is not the function, nor is it necessary, because it will be recalled that in any of our courts across the country everyone has a right to subpoena a witness before the court, but the party who subpoenas that witness—who wants the witness—must pay for him to appear before the court. Therefore, when any of these cases come before the committee it is up to the party concerned to pay for the witnesses. They are making an appeal before the committee and it is up to them to have these witnesses there to prove the things which they allege. It is not our fault if they do not appear before the committee to substantiate the things which they allege.

The committee can do no more than any other court in the land but to dismiss an appeal, to dismiss an allegation that is not proved. It is not our function to go out and investigate and take sides. If there is any situation such as arose in the Eccles case, as we did in that case, we would refer it to the Minister of Justice (Mr. Fulton) and the Minister of Justice would refer it to the proper authorities.

I would make this suggestion with respect to certain charges of perjury and collusion. The better way of handling such suspicions as these would be to send them back to the other place where these allegations had been committed against that forum, and let them deal with them or get the proper authorities to deal with them. The suggestion was made that because we have before us conflicting evidence—yes, even diametrically opposed evidence—and we must choose between it, that someone must be committing perjury and we must therefore go out and hunt to find out who was right and who was wrong, and perhaps bring charges of perjury.

I would suggest that every day in our courts there are cases that come before them where evidence is diametrically opposed, or differs, and in very rare cases do the judges go out of their way to suggest that the losing party should be investigated for perjury. I think perhaps it might go too far to say that everyone who has lost has committed perjury. I think we should be very careful in our accusations along that line.

With that in mind and believing that that is the true function of our committee and its operations, when we are considering the rules today and are considering the problems we should consider them in that light. I and many others feel that this committee is not adequate to deal with these problems that come before us, because I believe that the committee on divorce that we have is too large in the first place to deal with these things when it comes to an appeal or trial. It is all right if we are going through the evidence and agreeing with the evidence that has gone through the other place. When it comes to a point that we have to hear the

evidence *de novo* I do not feel that we have adequate powers to deal with it.

There can be another injustice, that toward the end of a session the committee can be put in a very severe dilemma. Someone brings an appeal, and it becomes difficult to get the witnesses before the committee before the house prorogues. As we all know, when parliament prorogues this session all bills which have not been passes through all stages are then lost. Here we have a dilemma, that we see either by affidavit or by a statement an application for an appeal, and if we accept it and call for a hearing but in the meantime the house prorogues, then in effect we have dismissed that action without having heard the pros or cons of the case. If we are required for a few years or so to continue wrestling with this problem, I would suggest power be granted to hold over such cases so they would not lose the preliminary steps taken to date toward making them law, and at the next session of parliament we could continue to deal with the next stage of the matter.

A number of suggestions have been made as to what we should do to remedy this situation. Annoyed as many of us may be at having to deal with these matters, I think we must look at the thing squarely, recognizing the rights and the beliefs of those concerned and see what compromise can be made. There are three methods, as has been stated before, whereby this matter might be dealt with.

First of all, the matter could be referred back to the provinces concerned and dealt with as in other provinces. This would be the most efficient way of dealing with it because the provinces have the power to deal with the disposition and custody of the children of the marriage, as well as matters of alimony and maintenance as between the aggrieved parties. In that way the whole matter could be dealt with in a sort of package deal.

I am coming to the belief that it is not just a matter of providing a divorce court. All these cases for divorce should be processed through what we call a family court first and every attempt made by counsellors of marriage and those who have made a study of what causes the break-up of homes in order to see if these people could not be brought together again. A great deal has been done, but it is not for me to pursue that matter at this time.

The other method would be to set up a division of the exchequer court or even to set up some other court altogether to deal with all these cases judicially, and I think we could do this constitutionally. But the great weakness in that is that the court could only dissolve the marriage. It could not deal with the rights of the children, nor could it deal with maintenance or alimony, because they are matters which pertain to the provinces. But it would clear the House of Commons and the other place of this problem of dealing with divorces, and as a judicial body I feel they could deal with that aspect of it more efficiently than we could. As a second best method I would suggest we work toward that end.

However, perhaps being a realist I think we may not be ready politically for that move, although I can see no difference if we are going to deal with divorces in this house between dissolving a marriage here or dissolving it in an exchequer court or any other court we may set up. There is no different sanction if it were dealt with judicially than if it were dealt with in a semi-judicial manner by parliament.

As I have said, I have a bill on the order paper, Bill No. C-17, in which I suggest we give power to the other house to deal with divorces exclusively. But I would like to make this one additional suggestion which is not included in the bill. In order to overcome certain constitutional difficulties and the objections of those who would not like to see the business of the House of Commons transferred to the other place, I suggest that this house pass an act annually to the effect that every bill passed by the other place authorizing the dissolution of marriage once it has received royal assent shall be considered law.

There is a precedent for this type of procedure in the parliament of the United Kingdom where under an act of 1911, as a result of a dispute between the House of Lords and the House of Commons, the House of Commons, having had a bill passed three times by that house but rejected three times by the House of Lords, may now pass the bill which on receiving royal assent will become law without having been passed by the House of Lords.

Perhaps that is a precedent which we would not like to extend here, but it might be a temporary method of dealing with the problem we have, and by passing an annual act we are not completely depriving this house of its jurisdiction in that field. If that were done I suggest the other place would provide in addition to their committee which deals with bills as they go through a committee which would act as a sort of court of appeal for all those bills under dispute so that any matter could be given a second look and the party concerned would have an appeal to them as they have an appeal presently to this house.

I know that this is a matter which perhaps cannot be dealt with logically because of certain strong feelings of many members concerned. I feel that the members of the C.C.F. party in perhaps a sincere effort to bring this matter before the public have placed themselves and this house in a rather severe dilemma. Because if by a method of what some of us call a filibuster—what they have called careful consideration of those bills—we have delayed or prevented their passage we are preventing the rights of these people from being properly attended to in the only form available to them at the present time. That is not doing any good in the sense of persuading those who should give them the right to do so, because in those provinces the forces behind the government there say, "We do not want to permit divorce in this province. You are only helping us to prevent those people getting their divorce. We say they should not have a divorce and we thank you for not letting them get a divorce by not letting them go to the House of Commons". I know that is not their purpose but that is in effect what would happen if we follow through logically the tactics being used.

In effect they are trying to force the government to adopt a procedure to remedy the situation which, to be dealt with logically, effectively and correctly would be trying to force the provinces to do something which it is within their rights to refuse. I do not think any government is going to be placed in that position and politically, I am sure, members on this side are not going to alienate themselves by forcing those provinces to do something which they do not want to do. That might cause our defeat, but it certainly would not bring the C.C.F. to power. It might bring the Liberals back to power and perhaps the hon. member for Timiskaming and his friends would prefer them to us—

Mr. Howard: Anything would be better than the Tories.

Mr. Morton: However, I do not think that is the purpose which they have in mind. I do not know. I suggest we must consider not only the logic of the situation but the rights and feelings of others. We must not force those who are not ready for this move into a position which would make them even more antagonistic to a change. A great deal of education still remains to be done. I think we should also bear in mind that although we are dealing here primarily with procedures inside this house, a much greater debate with respect to divorce is raging not only in the provinces where these bills originate but in other provinces. A great deal of study must be given to this question before we can be assured that we are setting out a proper procedure. I should like to suggest that perhaps the time has come when the authorities of government at both dominion and provincial levels, the religious leaders of the country and the social workers of the country should get together at a conference and study this whole matter of divorce and divorce procedures in its wider aspect and consider how it may be dealt with, because divorce is a cancerous growth in the family institution which is weakening that institution. It is one of the great evils of our society and the sooner we wake up to this menace and the sooner we attack the problem on a scientific social basis the better it will be for our country.

This question of the procedure in the House of Commons is only one small part of a much wider and deeper subject. I hope the people of this country will wake up and not ignore the problem any longer. It is not a matter of making divorce easier, but a matter of preventive training and making sure that those who marry are given proper training and that if there are any difficulties proper study is given to their problems.

Mr. Frank Howard (Skeena): Perhaps I should say a word or two. Perhaps, like the hon. member for Davenport, I should make a comment or two first about the rules of the house in connection with the changes which have been made by the committee, other than dealing with divorces.

Without going into the detailed changes about hours, time allotted for debate and things of that nature, there is one matter which I think should occupy the concern and interest of parliament and of hon. members in the opposition particularly. This is a matter which I have thought about and considered for some time, and my thoughts apply to whatever government is in power. It merely happens to be a Conservative government at the moment. These are things which I think perhaps cannot be dealt with by alterations in the rules themselves.

There seems to have been over the years a growing increase in the authority of the government in office over parliament through the party system, and a decline in the functions as it were of the individual private member. The desire which we all have for independence of expression and for casting our votes on particular issues in parliament based upon what we think, has in recent years been stifled to a degree by the party control that exists within the Conservative party, as it exists within other parties. I submit, however, that, generally speaking, control of this sort on a party basis is stronger on the government side than it is

on the opposition side, and this is true of any government when it is in office. I think this is true of the government in Saskatchewan which is of the same party as I am, which does not make it any more tolerable or acceptable.

I do not think this party control is compatible with our sense of democracy or with our sense of promoting the interests of our constituencies as best we can. Too often we find that motions critical of the government are looked upon as falling within the class of being want of confidence motions. Opposition amendments or proposals are accepted in some cases, but in many cases they are rejected out of hand as it were, and again the house is divided on a party basis. I do not believe that this leads to holding the balance of our democratic system in parliament, and I should like to see it reduced as much as possible and, as far as possible, a return to the right of individual members to independence of thought, independence of speech and independence when it comes to voting. I think there may be some differences of opinion as to the means by which this objective may best be achieved. My own views are merely injected into the debate at this stage as an indication of how this problem may be approached.

It may be that the debate on the budget, the debate on the address and the debates which take place on the various supply motions afford ample opportunity for the opposition parties in parliament to express lack of confidence in the government on a variety of subjects. Possibly legislation which is closely connected with the budget proposals, such as taxation and things of that nature, should also fall within a stricter category. Government sponsored bills should not be looked upon as ones in which the party should control their ultimate destiny.

When individual private members regardless of party introduce bills, as some have done this session although we have been restricted in debating them, they should automatically go to a committee for study and consultation with government officials from the department and with the minister concerned to clarify the bill or bring it into line with existing legislation. These bills often represent the views of an hon. member concerning alterations in legislation. They should not be allowed to die on the order paper whether or not they are debated. We should attempt to put these things into effect so the independence of private members will be enhanced more than in the past. Then we would have the kind of government we had when responsible government came into being. Government should be responsible to parliament and not the other way round.

My primary concern is to deal with divorce procedure and alternate methods as was dealt with by the hon. members for Vancouver East, Timiskaming and Davenport. As the hon. member for Davenport put it, there may be some concern on the part of individual members who are angry at the hon. member for Timiskaming and myself for carrying on such a detailed study of these bills. Perhaps some of their concern stems from the fact that they had introduced private bills which they would have liked to see debated. That is understandable. I am angry at myself because I caused six of my own bills to die on the order paper because of my extended debate on divorce. Other hon. members have beeen angry at us for other reasons. We have been concerned about the unfortunate feeling that existed and perhaps still exists. We felt this matter was so important that we could not alter our course regardless of the pressure exerted on us or the individual expressions of anger directed to us from inside the house and outside of it. We have caused grief and anxiety in the minds and hearts of those who have in good faith petitioned for divorce. We have great concern, interest and sorrow—

Mr. Horner (Acadia): For yourself.

Mr. Howard: —for any anxiety we have caused them.

Mr. McCleave: Can you restore the sanity of a woman who lost it because of your actions? Can you do that?

Mr. Howard: Mr. Speaker, I am on my feet so I do not have to rise on a point of order.

Mr. McCleave: I will ask that question on my feet.

Mr. Speaker: Is the hon. member for Halifax rising on a point of order?

Mr. McCleave: No, Mr. Speaker, I had a question.

Mr. Speaker: Is the hon. member for Skeena rising to deal with the subject matter before the house?

Mr. Howard: Yes. My point of order has to do with the interjection made by the hon. member for Halifax. He has a great propensity for making interjections while in his seat and I submit this should be brought to his attention.

Mr. Speaker: The hon. member is quite right in bringing to the attention of the Chair that interjections should not be made by an hon. member from his seat.

Mr. Howard: If the hon. member for Halifax wishes to put his question I will be glad to answer it. Apparently he does not.

Mr. McCleave: Mr. Speaker, I simply wanted to ask the hon. member for Skeena whose cup is overflowing with sorrow this evening whether or not he could bring back sanity to a woman who has lost it because of his actions.

Mr. Howard: I did not know I was considered in the class of a psychiatrist. I do not know what I can do in so far as this woman is concerned. If I tried to restore the sanity of the hon. member for Halifax I know I would fail.

The report of this committee contains some interesting factors. On the committee along with yourself, Mr. Speaker—incidentally, you did a commendable job—were three important cabinet ministers, even if I would like to do away with the salary of one of them. The Minister of Justice (Mr. Fulton) was one. He has under study now one of the divorce proceedings. Another was the Minister of Trade and Commerce (Mr. Churchill), a distinguished hon. member and leader of the house. The other was the Solicitor General (Mr. Balcer). They participated in this study and endorsed the recommendations concerning divorce procedure. This indicates that they did not act independently and I am sure this reflects cabinet approval. They had approval to deal with these questions in this way at this time. There is some doubt as to whether the problem of private bills of divorce is capable of procedural solution, as is stated in the report.

The report recommends that a similar committee be appointed early in the next session to continue the studies made including a study of the procedure on divorce bills. I hope the members of the committee next year conclude that this problem is not capable of a procedural solution and perhaps the alternatives outlined by the hon. member for Timiskaming could be considered. Possibly a joint committee of the House of Commons and Senate could be set up to deal with these other alternatives. This could be completed before the end of the next session, whether it is next fall as intimated or in January of next year.

The procedural committee could be established almost immediately next session to study the question. If it concludes that the problem does not lend itself to a procedural solution it could report back recommending the establishment of a royal commission or joint committee or some other method of studying the alternatives, and solutions could be found before the end of next session. If that course is followed we will perhaps find, if not a complete solution at least a partial one leading to a final one, even if it is the solution advocated by the hon. member for Davenport which I understand will be put forward by other hon. members.

The hon. member for Timiskaming and I, principally, and a couple of other hon. members have made a detailed study and examination of these divorce bills. The petitioners who petitioned parliament during this session did so in good faith. Of course, the way in which divorce bills were handled in years past would indicate that there would be no difficulty in having divorces granted or their divorce bills passed provided the evidence adduced before the committee met the rules laid down by that committee, and on that basis the petitioners had every reason to expect that their divorces would be granted.

However, they suddenly came to realize that this was not the position this session because without warning—I admit this without hesitation—the hon. member for Timiskaming (Mr. Peters) and I proceeded to examine and study the bills in detail. It may be said that this was sort of unfair to the petitioners, and that is quite true. This is one of the main and major compelling reasons, coupled with the fact that our campaign has met with a great degree of success, as witness the debate we are having at the present time, why we feel it would be most unwise and unfair this session to proceed further with any detailed examination of these particular bills.

Perhaps if this motion passes in a short time and the next order having to do with private bills is called there will be no difficulty in getting wholesale automatic passage of the various bills on the order paper. However, I think the activity this year would indicate very clearly and definitely that the possibilities of this thing occurring in future years are great. I refer to the possibility of detailed examination of divorce bills in the years to come so long as they remain a part of the business of parliament. I think that each lawyer in the province of Quebec and Newfoundland who is approached in the months to come to take action or to represent a petitioner for a bill of divorce should in good faith indicate to that petitioner that the chances of a bill of divorce passing in parliament in future sessions are very slim indeed, because of the detailed examination that has taken place this year, and so long as they remain a part of the business of this house and debate on them is allowed perhaps the same course will be followed in the future, and I submit that this is what will happen and that people should be informed accordingly.

As I said, this year the petitioners petitioned in good faith, fully expecting no

difficulty. For the difficulties they have encountered we are extremely sorry but no further difficulties will be encountered by them this session.

I listened to the hon. member for Davenport (Mr. Morton) with extreme interest. I think he made an excellent presentation and supported the idea we are propounding. If I wanted to have counsel to plead argument for me in this particular matter I could do no better in this entire House of Commons than to retain the hon. member for Davenport to plead the particular case and set forth those particular arguments. I would, of course, give him a little guidance on the way he should tackle the matter but in general his presentation was excellent.

Mr. Horner (Acadia): We think a lot of ourselves, don't we?

Mr. Howard: I am saying that in a gentle way only to show that I disagree with some of the points the hon. member for Davenport made, but in spite of that disagreement, which is slight, I say he made an excellent contribution and argument in favour of a certain course of action with which I generally agree. I would have given him a little bit of guidance; if he happened to be counsel for me I would ask him to argue in a certain way.

If hon. members take the course of action on this question of divorce proceedings in the house this evening that is suggested it will solve the matter at least temporarily for next year without any difficulty. I submit the motion before us at the moment could be proceeded with rather quickly. I imagine the debate had almost concluded when I rose and it could be completed rather quickly. The government could forgo calling any further government orders and we would then proceed with the next item on the order paper which is private bills relating to divorce. They could be dispatched, I am sure, in a moment, and the next item on the order paper to be dealt with is public bills and orders and we could then proceed with the bill in the name of the hon. member for Davenport. We could then debate it and pass it and after it was passed by the Senate it would become law. If this action were taken it would be applauded by every member in the house. I am sure there would be no objection to it. I do not know whether this course of action is acceptable to the government but I submit it for consideration at this time as perhaps a tentative step in the direction of modernizing our divorce laws in Canada.

The hon. member for Davenport also dealt with procedure and I hope I will be permitted to follow his line of reasoning. Many others have mentioned what takes place before the committee in the other place, the manner in which these bills get there and what happens to them when they get here. We have had occasion as you know, sir, to look at, examine and discuss in some detail the evidence taken before the committee of the other place. The procedure of parliament in dealing with divorces I submit allows us to examine the evidence.

Some of the bills which we have already examined in the past shows that there is an extreme amount of concern on the part of those asking questions and hearing the evidence with respect to the question of desertion. Questions are asked as to whether there has been desertion and a relatively minor amount of concern is taken in the evidence respecting adultery. The preponderence of questioning is on desertion. In some instances the evidence of adultery is flimsy. Certainly that is what we found in some of the bills we examined. I am sure that members of the other place and members of our committee vote in favour of granting a particular divorce not on the grounds of adultery, although there is evidence to that effect, but primarily on the evidence given with respect to desertion. I submit that in a roundabout way that is what we are doing.

The same thing applies if there is extensive examination of witnesses with respect to cruel action on the part of the respondent, whether there were beatings, whether there was alcoholism, whether there were other activities of a similar nature which could be classified as cruelty, and relatively little examination of the flimsy evidence in so far as adultery is concerned. I submit that in so far as the evidence is concerned or in so far as the rules of the other place are concerned, divorces in fact have been passed by the members of the other place and by some of the members here on the grounds and on the basis of evidence with respect to cruelty.

I submit that these are subject matters which should be considered, and the substantive law changed in so far as divorce is concerned to include these subject matters as grounds for divorce.

This, of course, is getting into the substance of the question itself, and I do not want to transgress on your rulings, Mr. Speaker. I only raise this in a slight way in order to indicate that at the next session, if the committee on procedure is re-established and it should find, as I am sure it will, that it is not possible, not advantageous, not desirable to proceed in the manner we have or in any other similar manner by which divorces may be handled in parliament or to

find an alternative step, then something should be done by means of a joint committee or a royal commission or whatever mode the government chooses in order to examine in detail not only the mechanics by which divorces are granted, either in parliament or through some other agency, but also the grounds upon which divorces are granted. This would be a means of bringing our divorce laws into a position where they would be more compatible with those in other countries so that we will have some sense instead of hyprocrisy applying to divorce procedures in Canada.

Mr. Speaker: I asked the hon. member not to pursue that line because, as he knows and has already suggested himself, it goes beyond the scope of the debate.

Mr. R. J. McCleave (Halifax): Mr. Speaker, in a few moments I will give some sort of consideration to the thoughtful contribution made by the hon. member for Davenport (Mr. Morton) on the vexatious question of parliamentary divorce, and also answer the sundry remarks that have been made by the hon. member for Timiskaming (Mr. Peters) and the hon. member for Skeena (Mr. Howard). Before I turn to the motion which arises out of the work of the committee, there are two points which should be made about the contribution of the hon. member for Skeena who spoke soulfully about the rights of private members which have been practically denied, at least in the private members' hours this session, because of the divorce filibuster. I would suggest that one knows a person by his actions rather than by his words. It would be a bitter day for private members in any parliament in which the hon. member for Skeena had any position of authority.

Mr. Howard: I rise on a point of order. I object strenuously to these slanderous accusations against my actions in the house. The hon. member has suggested that if I had authority I would remove the rights of private members. I suggest that he should be asked not only to withdraw but also to refrain from making these scandalous accusations in the future.

Mr. Speaker: If the hon. member will withdraw the word "slanderous", I will deal with the other matter.

Mr. Howard: Yes.

Mr. Speaker: The point the hon. member makes is that in what the hon. member for Halifax said he had imputed some improper conduct which could be expected from the hon. member if he were to occupy a position of authority. If that was the purport of the remarks of the hon. member for Halifax, and I am not clear that it was, I am sure he would wish to modify such a statement.

Mr. McCleave: Of course, I will modify those remarks.

The second point I want to make about the contributions of the hon. member for Skeena concerns his suggestion that the lawyers in Quebec and Newfoundland tell the people in those two provinces that they could not always be guaranteed the right to a divorce in parliament in the future. The answer to that point is very easy, Mr. Speaker. The main burden of parliament is now in the hands of people of the calibre of the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. Pearson) and we are not going to be held up by the actions of one or two members, no matter what their feelings on this particular subject may be. I think that that message can be passed along to the lawyers in Quebec and Newfoundland, too.

Mr. Peters: And let us see who wins.

Some hon. Members: Oh, oh.

Mr. McCleave: That is typical of the contributions these hon. members make from their seats. They do not like it if somebody else uses that tactic against them. If I have fallen into bad habits, and perhaps I have, it is because I learned them from these two hon. members.

Mr. Howard: Timber, timber.

Mr. McCleave: I will be back to you in a moment, and in great detail; that is not a threat, it is an actuality.

The purpose of the committee report, and I had the honour of serving with you, Mr. Speaker, and the other distinguished members of the House of Commons on the committee, is to provide a more flexible and practical method of handling the affairs of parliament. We wish to provide a means by which an earlier start can be made on government business without in any way hurting the rights of private members in the way they have been hurt this session. As I see the session of the House of Commons, it divides itself into three main parts. The first part is the throne speech debate, the first votes of confidence in the government, and then a number of private members' days, very proper days and very important ones from my point of view. The second part we might almost give exclusively to the minister of finance, who deals with the budget, then the budget resolutions and any legislation arising out of them. The third part would be concerned with the bulk of the government's program.

It was the purpose of your committee, sir, and I gather all members support the suggestion, that we do make an earlier start on government business and get the committees of the house functioning earlier. I think back to my earlier years, all of which have been extremely pleasant except this one, and I find that in the first part of the session most of the members seem to become bored or restless. Then during the second half of the session they are worked to death. Of course, parliamentary reform must lie within the hearts and minds of the members. If we were to put ourselves under discipline in the dramatic fashion of the hon. member for York-Scarborough (Mr. McGee), who limits himself to 15-minute speeches, then we would get through our work sooner and not bore each other in the process.

Then another point which I think perhaps could be solved by the rules committee in future years, not this year, is to provide more variety in private members' days, the eight of them in a session, so that we could deal with more resolutions and more bills. Frequently a debate will start on a very interesting piece of legislation, the mover of which has a direct interest in it and he will bring a great deal of variety into that debate. However, by the middle of the afternoon or an hour or two later, it simply becomes a matter of talking things out in a rather pedestrian fashion. Perhaps the committee could give some consideration to this matter, so that the points of view on different matters that are pets to private members can be deliberated.

Now, Mr. Speaker, this is one of those rare occasions upon which no one has claimed the paternity of the ideas concerning the reference in the committee report to procedural reforms for divorce in parliament. I will let you in on a secret, sir, which you already know, but of which perhaps all hon. members are not aware, that it was something I raised and asked the committee if it would be good enough to hear my views on the matter of procedural reform for divorce.

Mr. Howard: Would the hon. member permit a question?

Mr. McCleave: Those who know me here, and I think have some faith in me, know that I would not willingly see any abuse of any existing procedure if I thought there were methods of clearing it up. I think the hon. member had a question.

Mr. Howard: I wonder if my friend from Halifax could indicate if he presented these views that he is putting forward to the committee itself when the committee was meeting?

[Mr. McCleave.]

Mr. McCleave: I asked that; but I have drawn up a very rough draft of the points I would like raised in the committee, which will be circulated as soon as I have completed that memorandum. Is that the question?

Mr. Howard: No. I understood the hon. member for Halifax to say that in so far as the committee investigating the question of divorce is concerned, he himself raised that with the committee.

Mr. McCleave: That is right, Mr. Speaker, I did.

Mr. Howard: Another question. When the committee was being established in the house, did the hon. member hear us suggest that this would be a proper course of action for the committee to take?

Mr. McCleave: Then perhaps I did not listen to the hon. member at that time. If he did make that suggestion, it undoubtedly was a wise one. But nobody else brought it up in the rules committee, so I did myself. I hope that answers the question.

So it is my desire, as a person charged with a difficult responsibility and a rather thankless one, to do the best I can with it and to play my part with others by being the conscience of the House of Commons as a whole to see that things are proceeded with as properly as possible.

The hon. members of the C.C.F. are apparently willing to allow the remainder of the divorce bills to go through on the understanding that the procedural problems of divorce will be studied, and this is a very fine gesture. I wish to refer the house to the *Journals* of the House of Commons for Saturday, July 18, 1959. That is a little over a year ago, Mr. Speaker. At that time I presented a report from the committee which says in part:

> Your committee has considered three hundred and fifty three (353) divorce bills sent from the Senate and rejected one during the current session.
>
> Your committee found itself seriously handicapped because there are no standing orders applicable to the procedure in committee such as exists in the other place.
>
> Your committee strongly recommends that when it is reconstituted next session it be empowered, with the help of the chief of the committees and private legislation branch and the law officers of the house, to draft rules of procedure for its guidance and to submit these to the house for consideration by the standing committee on standing orders.

That was put by you, Mr. Speaker, at that time and accepted. The point is that we are now getting, or I hope we will get by the vote of the house later this evening or tomorrow, what was asked for by the committee over a year ago. But a lot of time has been

wasted on the so-called detailed examination of the divorce problem in the meantime.

Mr. Peters: Mr. Speaker, would the hon. member permit a question? In what relationship would the matter of the detailed examination delay the passing of the recommendation of the committee of three years ago?

Mr. McCleave: I think the hon. member has been around long enough to know the mood of the House of Commons as well as I do. Mr. Speaker, may I turn to some of the practical matters that need reform on a procedural level. The hon. member for Timiskaming (Mr. Peters) mentioned this afternoon the problem of summoning witnesses, and he confused two situations that can arise in dealing with this problem. The house and the committee does have the power to issue a summons for either party to require witnesses to come to the committee. What it apparently does not have is the right for the committee itself to issue such summonses to ask people to appear before it. These are substantially different things. I was very sorry to hear the attack made on the law clerk of the House of Commons late this afternoon by the hon. member for Timiskaming, when he made a reference to the committee not having competent legal advice. Dr. Maurice Ollivier has been around here for 35 years. He has advised prime ministers and others during that time on some of the most important constitutional and other legal problems that can arise in Canada. I am sorry that I was not quicker on my feet to suggest to the hon. member that he would not like to leave such a remark on the record against a very devoted, dedicated, first-rate servant of the House of Commons.

Some hon. Members: Hear, hear.

Mr. McCleave: As for his remarks about myself, I do not think I have to answer them. I could put it this way, that if any member of the Conservative party, or any member of the Liberal party—just one member, Mr. Speaker—were to object to my fairness. my integrity or my honesty in these matters, then I would withdraw from the committee.

Some hon. Members: Hear, hear.

Mr. McCleave: Another matter that demands procedural reform, as was pointed out by the hon. member for Davenport (Mr. Morton), or at least he pointed out the problem that can arise, is the time to contest cases. There are two types of cases. One is where all matters have been thoroughly at issue before the other place and then come before us, which is properly a matter for us of course to consider. Sometimes jocularly we call ourselves the chamber of sober second thought on these divorce matters. On other matters, and we have had three of them this session, people have come to parliament very late to say they were not served properly, there was collusion, or there were other matters that were not brought out before the committee of the other place. Here we need a procedural reform, it seems to me, to see that such cases shall go back to the other place so that they may deal with them, if that was the judicial process that was abused in the first place.

The matter of the service of relevant documents in the case has not been raised, I think. None the less, it is very important. There have been abuses this year, particularly by a Montreal detective named Charles Charron. The chairman of the other place, with whom I work quite closely, has made it a point to circularize the Montreal bar that in no instances are proceedings in divorce cases to be served by a detective who was involved in the investigation of the case. That is a very useful reform that is needed.

Then we should consider renumbering the cases so they are more intelligible to members of the House of Commons. Perhaps we should also figure out some way where a judicial procedure will not be abused by what is called the process of talking out. The hon. member for Timiskaming mentioned with some pride that he had been instrumental in talking a case out of parliament. That case was a very hard fought one. There were bitter passions on both the pros and cons of the case, and certainly there was a great division of our own. Perhaps in cases where the decision of the committee is so close it is legitimate to talk it out and leave the parties to come back next year. Otherwise I think it is simply an abuse to use parliamentary devices to deny justice to people who do petition us.

Mr. Speaker, the hon. member for Vancouver East (Mr. Winch), in an otherwise good speech, praised the accomplishments of the hon. members for Skeena and Timiskaming and what they had done this year. In the first place, I have shown that they have done precisely nothing, because the motion we are going to approve later tonight is simply, in its divorce section, something that has existed before parliament as a recommendation for 13 months.

I would also point out that in my remarks on the bill of rights I mentioned some of the great social mischief that had been caused by the filibuster, and it is mischief that can never really properly be repaired. I hope that when the history and the pros and cons of this are written up the journalists will make

some study of just what effect this has had on the little man and woman of Quebec and Newfoundland.

One of the things that cheered me on this whole matter was right around the House of Commons in our corridors among our own servants who said, "Keep after these fellows and do not let them push these people around". That has been my object and intention all along, and it will be my object and intention if I am ever again mixed up in one of these divorce filibusters.

One of the hon. members said that this was not a judicial proceeding, and he quoted a law book that is slightly out of date. I would simply refer him to the Criminal Code, section 99 (c), which defines what a judicial proceeding is. That section reads:

> (c) "judicial proceeding" means a proceeding ... (ii) before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons ... that is authorized by law to administer an oath,—

I think that should solve that matter. It was put very ably the other day by the hon. member for Marquette (Mr. Mandziuk) in the presence of the two hon. members but they were not listening.

Now some further thoughts on judicial proceedings. A judicial proceeding to me involving members of this house is a proceeding in which the members do not take sides before the particular case comes on for trial. They do not investigate it, but when it is properly contested they leave it up to the lawyer or to the witnesses for both parties. I would like to think that that was the example followed by all hon. members but I know from looking over the voting record of two members in regard to all the cases which have come forward this year and in previous years, whenever one party has made contact with those members they have invariably voted for that party.

Mr. Howard: Would you like to name the two members?

Mr. McCleave: Yes; I would like to name the two members and refer to the cases. The two members are the hon. member for Timiskaming and the hon. member for Skeena (Mr. Howard), and the cases are Eccles, Freeman and Walker.

Mr. Howard: Would the hon. member permit a question. Does he know that I have consistently voted against every divorce case coming before parliament?

Mr. McCleave: I was told that while I was away the hon. member for Skeena was good enough to second a divorce case on my behalf.

[Mr. McCleave.]

One of the hon. members also mentioned what he called the failure of Quebec members to attend the miscellaneous private bills committee. I know one member who has attended almost twice as many meetings as the hon. member for Skeena and the hon. member for Timiskaming combined.

Yet another abuse of judicial procedure. One hon. member made a statement. He had a chance to cross-examine on it earlier, but he made a statement to the committee which, if accepted, could have meant that a case would have been thrown out instead of the petition being granted. Fortunately there was another member there who could correct that misstatement of fact.

Those are very serious matters. If the hon. members say that this is not a judicial procedure, I think it is right if they do not bring the qualities of heart and mind to that body properly to judge cases. But I would not allow that to be said of members of the Conservative or members of the Liberal parties who have gone there with open minds and waited until all the evidence was in before deciding the cases.

Finally, on this point, Mr. Speaker, the hon. member for Davenport asked whether public opinion can be changed to deal with these divorce cases. I think that is up to the people of Quebec and Newfoundland. When the first province confederated some protection had to be given to the people of that province because the majority did not want divorce courts established there, and this place was found to be the most workable solution possible. Again, when Newfoundland entered confederation exactly the same thing ensued. I would be as happy as anybody else in this chamber to see divorce cases dealt with elsewhere. I do not like the job. It has been a miserable one and it is more miserable than ever because of what has happened lately, but at least I have tried to do what I can to make it as correct as possible and to make it easier for members here to rely in the committee on the sponsor of the bill when they come to vote on each particular measure. But as long as these provinces and the people in the provinces say no, and their wishes have to be taken first, then let us carry on with what is properly ours.

I support the recommendations in the committee's report. It has been a pleasure to be associated with you in that work and I hope the experiment of next year will turn out to be something we might write permanently into our rules.

Mr. Peters: Mr. Speaker, I rise under standing order 37 to explain what I consider to be a misrepresentation of something said earlier

by me today. The last speaker has referred to the fact that I made disparaging remarks about the legal counsel of the house. That is not true. What I said was that the legal counsel of the house has given advice when requested by the chairman or the committee on points of order. What I would wish for—it is certainly afforded to a court—is that the judge, or those in control of the committee, be continually supplied with this information instead of having to request it. I think there is a considerable difference there. We were certainly not casting any aspersions on Dr. Ollivier's record. He is certainly competent and although the advice he has given has not always been agreed with, he has certainly been competent and has been respected.

Mr. McCleave: Then I rise on exactly the same point, under the section the hon. member brought up. The aspersions were not directed at Dr. Ollivier but at me for giving the committee legal advice. I am a lawyer and that is one of the reasons I suppose I was asked to chair that particular committee. I do give that advice when it will help hon. members. They are always free to challenge it, and I have never yet had a lawyer before me who has walked out of that committee unsatisfied with the conduct of the case.

Mr. Speaker: Order. The hon. member is now speaking to the matter which is different from what was raised as an explanation.

Mr. N. L. Spencer (Essex West): Mr. Speaker, the presentation of this report affords me an opportunity of speaking on the procedure of the house, a matter which over the last three sessions, including this one, has given me a good deal of concern. I recognize at once that I am one of the new members of this house and when I came here I presumed that I as well as other hon. members would receive the same sort of instruction, and I was supplied with the standing orders of the house as well as the fourth edition of Beauchesne's Parliamentary Rules and Forms.

This evening we have heard from the last four successive speakers in this debate about divorce, private bills coming before the house, and the procedures applicable to private members. I think that subject has been pretty well exhausted and I do not intend to devote any time to that aspect of the business which comes before the house. I am more concerned, as I think most people are, with the conduct of the affairs of the public in this chamber, so I propose to deal with the procedures relating to government business.

I know that those of us who are here realize that this session began on January 14, approximately seven months ago. We are now nearing the end of the two summer months of vacation, and I hope we are nearing the end of the business of this session. But may I say that the public little realize that this house is in session today. As far as I am concerned, some call my home and they are quite surprised when they do not find me there and learn that this house is still in session.

This report is the first step, and a very good step, toward shortening the sessions of the house. But it is a very short step. I feel, as I believe almost everybody feels, that there is an unjustifiable waste of time in this house and a waste of the taxpayers' money in unnecessarily prolonging debate and, what I think is more serious still, an undue repetition of arguments on the various subjects which come before the house.

I well recall the first session of parliament, which began in May and the hope was expressed when it began that the work of that session would be completed before the summer was over. We found, as time went by, that this was not possible, and it was not until well into the month of September that that session prorogued. The cause of that was nothing more or less than a constant repetition of arguments time and time again during the debates of the house. I concede that we do not have a specific rule which deals with this matter. We do have a rule which deals with the repetition of argument and indulgence in irrelevancy by hon. members. However, I can find nothing in the rules which deals with one member repeating the arguments of another member, and I suggest to the committee, if and when it is set up in the next session, that consideration might well be given to some rule which would be effective in curbing what I consider to be an abuse of the privileges of the house.

In this connection I should like to put on the record an editorial which appeared in the *Globe and Mail* on August 18, 1958 and which is headed "Parliament's Garrulous Octet". I think it is significant and appropriate that I should refer to this editorial atthis time, because, although it relates to what occurred during the first session of this parliament, we have witnessed in this session of parliament tactics of filibuster by members of the C.C.F. party with respect to private bills of divorce. The editorial reads as follows:

> There are 265 seats in the Canadian House of Commons. Only eight of them are occupied by members of the Co-operative Commonwealth Federation. With eight votes C.C.F. can do little to make or change the decisions of the house on the issues which come before it. However, with eight voices and with the right to raise—

Mr. Howard: I understand the rule is that it is not permitted to read editorials in

the house, especially when they cast reflections on the activities of some hon. members.

Mr. Spencer: On the point of order, I consider that it is in order to read editorials. It has been done many, many times. The only possible objection could be that it might relate to a matter which is before the house. I am pointing out that the rules do permit reading of an editorial as long as it is not intended to affect the decision of this house in a particular debate.

Mr. Deputy Speaker: I am unable to find the citation which deals with this matter. If my memory is correct, it is not in accordance with the practice to quote newspaper editorials dealing with the conduct of hon. members. It is in conformity with the practice to have the opinion of newspapers on matters discussed in the house, but it would not be permitted to read editorials in which the conduct of members or the conduct of the house is discussed.

Mr. Spencer: If you consider this would be out of order, Mr. Speaker, because this is an editorial, then, inasmuch as I believe it is correct and that it does relate exactly what happened in the first session of this parliament, I am prepared to adopt these words as my own:

> With eight votes C.C.F. can do little to make or change the decisions of the house on the issues which come before it. However with eight voices and with the right to raise them on every issue, it can do much to obstruct the house in reaching decisions. And this it seems to be doing deliberately at every opportunity.
>
> The C.C.F. engage in silly and childish prolongation of debates. They get up, one after the other, and repeat one another's speeches. They do this to no apparent purpose, they say little that is constructive or useful, and they say little that is particularly critical. They just talk and talk until the other members want nothing more than to tell them to be quiet.
>
> Last Friday, for instance, by the time the house adjourned for lunch at 1 p.m., four C.C.F. members had spoken among them, eight times and at least once on almost every subject which came up. After lunch, three of them made very long speeches, one made two very long speeches and took up almost the whole afternoon.
>
> This has been going on for months. A look at the latest available index to *Hansard* shows that, between May 12 and June 30, C.C.F. leader Hazen Argue spoke on 81 different topics—more than did L. B. Pearson who spoke on 78, and less only than did the Prime Minister, who spoke on 99. Moreover, no C.C.F. member during that period spoke on fewer than 25 subjects and 3 spoke on more than 70. Compared, for example, with Conservative members, George Hees who spoke on 57 and D. S. Harkness who spoke on 21.
>
> There is no possible reason for the C.C.F. bloc to talk so much, so often. It is abusing its parliamentary privilege. It is creating an atmosphere in which the government may well hesitate to bring forward new business because it will only give the C.C.F. another chance to prolong an already over-worked session. Is there no way, short of another election, to shut these people up?

The Leader of the Opposition (Mr. Pearson) earlier in this debate talked about organization of the business of the house. I think that what is required is not so much organization of the business of the house but rather a little organization and discipline of the parties in the house so that these debates will not be dragged on endlessly and there will not be the repetition of which I complain.

What the C.C.F. group did in the first session I believe the Liberal party has continued to do in the second session and again in this third session of parliament. I believe this matter came to the fore when about two weeks ago the motion was moved to extend the hours of sitting of the house. That motion was strenuously opposed by both opposition parties. I think it would be better if hon. members opposite were, during the early part of the session, to think of the longer hours which will undoubtedly result from their making long and repetitive speeches.

This prolongation of debate has also been true of this session. In that connection may I refer to a Canadian Press dispatch of March 7 last referring to the progress that was made during the present session:

> After seven weeks of commons sittings with relatively little to show for it, talk is beginning to be heard about parliament sitting all summer or perhaps going into a fall session. When parliament opened January 14, it was with the fairly confident expectation that it would be through by mid-June, give or take a week. But as the daily question periods consistently lengthened into an hour or more and as the unemployment debate dragged into 7½ days, hope of hitting that target has faded. About the only concrete measure approved has been for emergency aid to prairie farmers with grain crops caught in the field by early fall snows. Most of the committee work is just getting under way. By far the major part of the government's legislative program remains to be considered. And the budget debate which will take another eight sitting days is still in the future. On top of that work is just beginning on the 1960-61 spending.

No one seems to have been able to determine accurately the cost to the country of keeping parliament in session but it obviously runs into thousands of dollars each day. Unnecessary prolongation of a session is therefore a waste of the taxpayers' dollars.

Another point I should like to make is that there appears nowhere in the rules any provision dealing with the questions which are directed to members of the government on the calling of the orders of the day. This practice seems to have grown up over the years but it is not a practice covered by or dealt with by the rules. I suggest that if this is a good practice—and I believe it is—and it is to be entertained then it should be

covered explicitly under a rule. It should also be clearly provided that the questions which are asked of the ministry must be questions of immediate urgency. We have had many instances of the abuse of this privilege. In fact we had an instance today when a rather nonsensical question was asked of the Postmaster General (Mr. Hamilton).

I also believe that the question period should be limited in point of time. We have a precedent for that in that under standing order 39 (2) (b) there is a limitation placed upon the time to be devoted to starred questions on Wednesday. I think that period of time should be shortened although in my experience in the house it has never exceeded the hour allotted. Nevertheless I believe that period of one hour for starred questions might well be shortened.

I believe that questions which by practice or courtesy hon. members are allowed to direct to members of the government should also have a time limit imposed upon them and I see no reason why matters of immediate urgency cannot be dealt with and disposed of within a period of 15 minutes at the longest. On many occasions during this session the question period has exceeded an hour.

There is one other matter on procedure to which I should like to make reference. I refer to the debate which has occasionally occurred on the various stages of an appropriation bill. As hon. members know, this bill relates to estimates presented in the house. Of course, I refer more particularly to the appropriation bill in connection with supplementary estimates. Under our procedure, supplementary estimates are subject to debate and on many occasions in the past the debate has been very extended. May I simply remind hon. members of the debate on supplementary estimates in March of this year, which was mentioned in the Canadian Press dispatch to which I made reference. As I recall it those supplementary estimates contained 20 items and some of them were quite small in amount. One of those items alone involved the expenditure of some $15 million, being the government's contribution to the municipalities in connection with the winter works incentive program. That item occasioned a debate of nine days, and the supplementary estimates in all consumed 14 days of debate. After that extensive and detailed examination of the estimates one would think that when the appropriation bill was presented to the house to give effect to the supplementary estimates which had already been considered and passed by the house there would be little or no debate on the bill. However, apparently in keeping with the designed policy of prolonging debate, we find in this case the opposition again debated that bill through its various stages and a whole evening session of this house was taken up in the passage of that bill, a purely pro forma procedure of the house.

At this point it might be well to recall to mind the concern of the Minister of Finance (Mr. Fleming) at that time because of the attitude and the action of the opposition. May I quote from his remarks at that time as reported at page 1824 of *Hansard*:

> Is it not about time that hon. members opposite gathered together some sense of responsibility with respect to the business of the house and the transaction of affairs that mean a great deal to the farmers of the country, to employed persons who will otherwise be threatened with unemployment and to many others in this country as well... As a result of their holding up this bill... 15 senior officials are sitting in my office right now who have come there for a budget meeting. I suppose my evening will be spent in the house listening to hon. members opposite fan the air with their incessant repetition.

I think the Minister of Finance pointed out at that time that in some 15 years of experience in this house he had never known of an appropriation bill being debated at all stages.

I have one other suggestion to make. When this committee is set up at the next session to continue its study of the procedure of the house I believe it would be well to enlarge its membership. At the present time I believe nearly all the members of that committee are members who have been in the house for a great many years. I think it would be well, and it would be helpful, if the membership of that committee were enlarged and there were added to its membership many of those members who have been here only a relatively short period of time. I think there is too much, shall I say, reliance placed upon precedents, habits and policies of the house and not enough consideration given to ways and means of dealing with the business expeditiously but carefully and with a reasonable amount of consideration. I think that those who have come to this house fresh from business, fresh from other positions where they have seen business done quickly, effectively and with due consideration would be of great help to this committee in devising ways and means whereby the rules could be amended and the business of the house transacted efficiently and expeditiously but also thoughtfully and carefully.

Mr. Alexis Caron (Hull): Mr. Speaker, may I rise just to express my surprise. Everybody has been talking on this motion and saying that there are too many long speeches, too much repetition, and all that I have heard today has been long speeches and repetition on a

motion that everybody wants to pass. Therefore, I think we should stop talking and move to something else.

Mr. H. F. Jones (Saskatoon): Mr. Speaker, the hon. member who has just spoken could not have been here all day if he is of the opinion that the speeches have been repetitious. I have listened to the contributions of various hon. members on this particular matter throughout the day and I thought they placed before Your Honour many useful suggestions. After all, Mr. Speaker, when we are amending the rules of this house we are dealing with the rules of an institution which embodies almost a thousand years of the hopes and dreams of our people. This is not a thing that can be done lightly. This is not a project through which we should rush, but it is a project which requires careful consideration, as was pointed out by the hon. member for Essex West (Mr. Spencer).

I was encouraged, as I am sure every other hon. member was encouraged, when the committee over which you, sir, presided presented these thoughtful proposals which were to be initiated on a trial basis and thus bring about adjustments which would be in keeping with the times. I was pleased to hear the suggestion of the hon. member for Halifax (Mr. McCleave), and his thought that progress would be made in dealing with this matter of divorce next year. I should like to take this opportunity, Mr. Speaker, and I am sure other hon. members will join me, in acknowledging our appreciation of the tremendous work he has done as chairman of the miscellaneous private bills committee.

There are two particular aspects of this situation with which I should like to deal very briefly. One arises out of the suggestions which are made from time to time to adjourn the house for the purpose of discussing a definite matter of urgent importance under rule 26. This particular rule is a very useful rule, but I think it can be improved upon. The procedure followed at the present time is set out in subsection 2 of that rule, which says:

> The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance and states the matter.

Then he hands a written statement of the matter he proposes to discuss to the Speaker who decides whether or not it complies with the rule. Upon the ruling of the Speaker that the requisite conditions have been fulfilled, the debate begins at once. I suggest that that is not a good practice because it seems to me that if the matter is of such importance that the business of the house should be adjourned to discuss it there should be some sort of notice or warning given so that hon. members who may wish to speak on that particular matter may gather their thoughts before they enter the debate.

In the British House of Commons provision is made for that very thing. I find by referring to the book "Honourable Members, A Study of the British Backbencher", by Peter G. Richards, a very distinguished member of the British parliament, that he says this:

> Under standing order No. 9, the motion for the adjournment may also be used in an emergency to raise a matter of public importance—

I might explain that such a motion can be moved by either the opposition or the government. Then the debate does not take place immediately but at seven o'clock that night. In the intervening period hon. members who wish to take part in the debate can complete their preparations for doing so, which most certainly would add to the quality of the debate and would most certainly place before the public through the report of that debate the more considered views of members who had adequate time for preparation. I would commend to the committee consideration of this rule of the United Kingdom parliament when the committee studies these matters next year.

There is another point I should like to make in connection with private members' days. From time to time there arises in the course of the affairs of our nation matters which members feel should be discussed. They may be matters of extreme importance, but not of the complexity that would require prolonged debate. They are not matters of national interest that would require the adjournment of the business of the house under standing order 26. The British provide for this by means of what they call the daily adjournment of the debate. Under this provision there is a half-hour provided at the end of the day, three days a week, during which debates may take place on subjects drawn by lot from the numerous suggestions made by members of the house. These subjects are debated for half an hour. The usual procedure is that the mover or proposer of the subject speaks for 15 minutes, and then the minister under whose jurisdiction that particular matter falls or his parliamentary secretary replies. In that way many useful matters are ventilated and many useful discussions are initiated. I think perhaps if we gave thought to the provision of a similar rule in our house, it would permit, during the course of the session, many more matters to be discussed and it might save some time for discussion of other matters on private members' days. This half-hour is provided

in the United Kingdom on Mondays, Thursdays and Fridays, and I find this in Mr. Richards' book with reference to this subject:

> This procedure may not be used to raise issues that would involve legislation, or for which the government has no responsibility.

Since this procedure has been adopted by the United Kingdom parliament it has come into great favour, as I understand it, and has proved to be a very useful device for enabling private members to place before the house and the country matters which they feel to be of great concern. Since time passes quickly I shall resume my seat after expressing the hope that during the deliberations of the committee next year the two suggestions I have made will be considered worthy of investigation.

(*Translation*):

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have only a few minutes at my disposal, and I should like to make a few brief comments regarding the report of the special committee on the procedure of the house. That report contained four recommendations. The acceptance of two of those recommendations would have the effect of shortening by four days the sittings of the house. The other two recommendations mainly concerned matters of procedure and might—depending on how they were applied—speed up the dispatch of the business of the house.

Mr. Speaker, we are now at a critical stage in our parliamentary system. On the one hand, we are assailed by an ever growing quantity of increasingly complex public affairs.

In fact, we need only look into our copy of the estimates to see hundreds of items amounting to several billions of dollars, that the committee of supply is called upon to approve or reject.

How can a private member devote the required time to a serious consideration of those matters? I suggest that such consideration is far beyond the capacity of any ordinary brain and I think hon. members must recognize, in all humility, that they belong in that category. It therefore seems to me that we should accept the basic reforms suggested by several members today. The Leader of the Opposition (Mr. Pearson) suggested, among other things, that we should do away with details and that the debates of the house should be limited to the consideration of major issues. For my part, I would suggest—and this is my own personal opinion—that the special committee that will be set up next year to study house procedure, look into the possibility of eliminating discussion in committee of legislation.

I would also suggest that detailed study of the estimates be done away with.

I suggest that the house study only the principle of the legislaion introduced by the government. Besides, it might be well if the debate in committee of supply were limited to consideration of the general policy of the department, i.e., the first item.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, would the hon. member allow a question?

Mr. Martineau: Of course.

Mr. Deschatelets: Does the hon. member think we should abolish closure?

Mr. Martineau: I did not understand the question.

Mr. Deschatelets: Could the hon. member tell the house whether he thinks we should abolish closure?

Mr. Martineau: Mr. Speaker, the hon. member ought to let me make my speech as I see fit; if he wants to express his views, he will have an opportunity to do so.

As I was saying, there should be a limit to minute study of certain items. Suppose the committee of supply is asked to consider a vote of several million dollars for the building of a nuclear reactor. I wonder what point there is in submitting so technical a matter to a general assembly of laymen. It would certainly be better to refer such matters to a special committee of the house, a committee of supply, which could be divided into subcommittees on estimates, where experts would be called upon to give evidence. Such a committee could then submit its report either to a committee of the whole house, or to the house itself. I think that even if this report did not recommend the basic reforms that seem necessary, we should eventually come to recognize that principle by the very nature of things.

If we wish to preserve respect for our democratic parliamentary system, sooner or later we shall have to consider taking such decisions.

Before resuming my seat, I have only one more comment to make and it has to do with the remarks of the hon. member for York-Scarborough (Mr. McGee) who suggested that speeches delivered in this house should be restricted to 15 minutes. I do not share that

view, because, in my opinion, a speech cannot be reduced to simple mathematical proportions. Certain subjects can be discussed for hours without being fully covered, while others can be summarized in a few sentences. There are many historical examples to prove it and if I had more time at my disposal, I should like to quote a few of them.

Mr. Speaker, this may be an age of specialization and technique, but eloquence is still highly prized. And true eloquence, as Bossuet once said, must be based on simplicity and truth.

It was Tacitus who said:

Eloquence is like a flame: it requires matter to feed on, motion to excite it, and it brightens as it burns.

(Text):

Mr. Speaker: If the minister speaks now he will close the debate.

Hon. Gordon Churchill (Minister of Trade and Commerce): Mr. Speaker, we have had a very useful discussion on matters of prime importance to the House of Commons, its method of conducting its business based on the rules. Quite a number of very useful suggestions have been advanced which I am sure will be used as a guide for the committee which will be set up next year.

The complexity of the problem appears as people discuss the matter, and some very thoughtful contributions were made during the course of the afternoon and evening by people who have been making a study of the rules and procedure of this house and of other legislative bodies. Careless generalizations often take the place of careful research and thought, and frequently all of us become a bit impatient with the parliamentary system and hope that matters can be speeded up. But on examination it is very difficult to say what matters should be dispensed with quickly and on what subjects time should be taken.

While the debate has been in progress I have been looking through a record that I have kept this year to see how the time has been utilized. I have a complete record, but I will not burden the house with it all. But it is interesting to note that in the first three months of this session the house used only 17 days of that time for legislative purposes. On those 17 days three special committees were set up; 10 items of legislation were started and nine were completed. Other days that were available for government purposes were consumed in discussion of supplementary estimates, interim supply and so forth. During the course of the three months the house did deal with the address in reply to the speech from the throne, with most of the private members' days that are allotted by the rules, with I think four of the six supply motions, with interim supply, with supplementary estimates and with the budget debate.

When you look at those three months you see quite a considerable amount of the business of the house was done, but not business in the way of a great amount of legislation and no discussion of the main estimates in that period. But who is to say that there should not have been a debate on the speech from the throne or a lengthy debate on supplementary estimates or on interim supply, a practice which has grown up in recent years of using those two items for vehicles for rather lengthy debate? He would be very bold indeed to say that matters of importance to Canada were not discussed during those periods.

So I just draw to the attention of the house that short summary of what happened in the first three months of this session because it points up the complexity of the situation when you attempt by rules to determine the length of time which shall be spent on any one subject in the course of a parliamentary session. I suppose to a certain extent it depends on self-discipline, restricting the length of speeches which members may make, and on what was mentioned by the Leader of the Opposition (Mr. Pearson) earlier this afternoon, an allocation of time to various debates.

That can be done and has been done in this house session after session with regard to certain matters which have come before it. For example, we have had success in allotting time for debates on external affairs, either one days or two days. This year we allotted three and that was by arrangement, and then the debate came to a conclusion. By consultation and arrangement of allocation of time I think there is much which can be accomplished without a specific rule being laid down for debates which are before us. On the other hand if a controversial issue comes before the House of Commons no one can say how long a debate may last. It may go on for days or for weeks.

However, all of the discussion we have had today I think will be very useful and will serve as a guide to the committee which will be set up quite promptly next session, because we have now all admonished each other as to what should be done earlier on in the next session. If we have available to us in this modification of the rules, the opportunity of postponing the first private member's Thursday or the first private member's Monday and use days like that for the setting up of, say, special committees or bringing down legislation which is of urgency, then

we may advance some of these measures earlier in the session than has been done in the past. From my study of the sessions of the House of Commons over a long period of years I do not hold out much hope for shortening the sessions very much, but on the other hand we can increase the efficiency.

Motion agreed to.

Mr. Churchill: Perhaps we might call it eleven o'clock and reward ourselves for a good piece of work today.

BUSINESS OF THE HOUSE

Mr. McIlraith: I wonder if the house leader would indicate the order of business for tomorrow.

Mr. Churchill: Yes. For tomorrow we will deal with supplementary estimates commencing with the one which was tabled today, No. 576 under agriculture, being the payment of an amount as a higher return for wheat used for human consumption in Canada to western grain producers, et cetera, followed by supplementary estimates in agriculture Nos. 500 to 504. As this department's estimates were completed some time ago it will be necessary to consider these supplementaries.

Then there is the supplementary estimate for external affairs, another department which has been completed and was brought down today, No. 577 relating to a purchase of flour to be given to the United Nations relief and works agency. If we complete those there is the supplementary estimate No. 498 under finance dealing with the salaries of civil servants.

Then we have a problem which we may have to face tomorrow, but which we do not have to decide tonight, namely whether or not interim supply should be considered tomorrow. I am in the hands of the people on the other side of the house as to that. If the house will complete all the estimates and pass the usual appropriation act with not too long a debate, as was mentioned by my hon. friend behind me, within the next two or three days, it will not be necessary to have interim supply tomorrow night. On the other hand, if the business of the house takes more time than the next two or three days, then in order that people in the employ of the government and others may be paid we might have to have interim supply tomorrow. But I leave it to the good sense of the house as to what we do and we can make that decision tomorrow.

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

79951-0—492

HOUSE OF COMMONS

Tuesday, August 9, 1960

The house met at 11 a.m.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR REPORT OF COMMITTEE ON REVISED SYSTEM OF MEASUREMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Labour if he is now in a position to make available to the House of Commons the report of the interdepartmental committee on estimating unemployment?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the other day I said this report was under study by the cabinet, and that that study has not yet been completed.

Mr. Pearson: May I ask the minister if the government can given an assurance that any recommendation in this report will not be acted on until parliament has had a chance to examine and discuss it?

Mr. Starr: I certainly cannot give that assurance.

Hon. Paul Martin (Essex East): Would the Minister of Trade and Commerce seek to facilitate the passage of his estimates by seeing to it that this report will be dealt with by the cabinet before parliament prorogues, so that parliament will have an opportunity of examining the report?

Hon. Gordon Churchill (Minister of Trade and Commerce): I trust I will have the co-operation of the hon. member for Essex East in facilitating the passage of the estimates as well, but I will do everything in my power to assist him.

Mr. Martin (Essex East): If the hon. minister persists in co-operating he will receive co-operation.

(Translation):

MONTREAL—REPORTED LAY-OFF OF EMPLOYEES AT ORDNANCE DEPOT

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Associate Minister of National Defence (Mr. Sevigny). Is the minister aware that hundreds of workers at the Montreal ordnance depot are reported to have been advised that their services will no longer be required after September 1 and, if so, has he any comment to make on the matter?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I have received no report to that effect. I shall inquire, and as soon as I get the required information, I shall pass it on to the hon. member for Maisonneuve-Rosemont.

(Text):

IMMIGRATION

REPORTED REFUSAL OF VISAS FOR JAPANESE STUDENTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I would like to direct a question to the Minister of Citizenship and Immigration. Can the minister give the house any information as to why two Japanese students 18 years of age were refused visas to enter Canada for a cross-country tour during which they would speak on the principle of banning the atom bomb?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I must say the incident has escaped my notice, but I will inquire into the matter.

PUBLIC SERVICE

NATIONAL DEFENCE—ESTABLISHMENT OF SUPERVISOR POSITION IN MINISTER'S OFFICE

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I would like to direct a question to the Associate Minister of National Defence. Has there been a new civil service position of supervisor established in the office of the Minister of National Defence and, if so, will this position be filled by open competition?

Hon. Pierre Sevigny (Associate Minister of National Defence): I wish to thank the hon. member for giving me notice of his question, and I wish to state that no such position has been established.

79951-0—492½

Inquiries of the Ministry

AGRICULTURE

LATULIPE, QUEBEC—STATEMENT ON ALLEGED DAMAGE TO CROPS BY RAINMAKING EQUIPMENT

On the orders of the day:

Hon. George H. Hees (Minister of Transport): Mr. Speaker, last week the hon member for Laurier asked a question regarding what he referred to as rainmaking equipment being tested by the Department of Transport in the vicinity of Latulipe. The matter was previously brought to my attention by the hon. member for Chapleau and the Abitibi chamber of commerce, also by the hon. member for Pontiac-Temiscamingue.

Last year, in co-operation with various government agencies and the forest industrial organizations in the area, my department began a research program in the Rouyn-Noranda area to seek the causes and nature of clouds and rain. This is a scientific study of clouds and precipitation, but can in no way be compared with an attempt to increase rainfall in the area. While the rainfall this year in the general area of the experiment has been much higher than normal, this is true also of areas well beyond the seeding area, so that the variation from the normal can be assumed to be from natural causes rather than the effects of the experiment.

With regard to Mr. Leandre Brassard, who was mentioned by the hon. member, an investigation is under way to try to determine whether anything exceptional has occurred in his locality.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

576. Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely:

$1 per cultivated acre up to maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

The Deputy Chairman: Vote No. 576, supplementary estimate of the Department of Agriculture. Shall the item carry?

Mr. Harkness: Mr. Chairman, yesterday the Prime Minister in announcing that an acreage payment would be made to western grain producers outlined the reasons why the government felt that action of this sort was necessary and why this particular form of payment has been decided upon. I shall attempt in my remarks not to cover again the ground which the Prime Minister covered so adequately yesterday.

[Mr. Sevigny.]

During the past three years a very large number of schemes and proposals for assistance to western grain producers have been made by the western members of parliament, by farm organizations, by individual farmers, and so on.

Mr. Martin (Essex East): By the opposition in particular.

Mr. Harkness: I have not heard any from the opposition, actually, which had not first been proposed by somebody else. I think the opposition has been notably deficient in any original thinking with regard to this matter.

Mr. Pearson: You are deficient in mind and thinking.

Mr. Harkness: The Leader of the Opposition says "deficient in mind and thinking", and I agree with him; I think they have been notably deficient in any kind of thinking, particularly in any original thinking. However, Mr. Chairman, after careful consideration of a very large number of these different schemes and proposals, the government has come to the conclusion that an acreage payment as proposed in this estimate is the fairest way to extend assistance at the present time. The difficulty, of course, is to provide that assistance in such a way that you do not create further serious problems by the very fact that the assistance is being provided. If support for any particular commodity is given in a way which provides an incentive to the production of that commodity, you inevitably have a pile-up of surpluses which in present world conditions are extremely difficult to dispose of, and you probably create problems which are just as serious in their way as the problem you are attempting to solve.

I remember reading an editorial not long ago, I think it was in the *Christian Science Monitor,* in which a sort of philosophical discussion was going forward as to ways in which government could assist various sectors of the economy. The editorialist stated something which I think to be true, although most people do not realize it. He said that most of the problems faced by government could be solved if you were able to raise sufficient money in taxes and apply that money to the alleviation of the situation you find. Whether it is a matter of a defence program, old age assistance, hospitalization or any of those things, if you put enough money into it, provided you can raise enough money by taxation, you can cure a particular problem. Then he went on to say that agriculture is entirely different from this point of view; agriculture is a field into which the more money you pour the more problems you create for yourself.

The man writing the article made reference to the wheat situation in the United States, where enormous sums of money ranging into the billions have been spent to support the price of wheat. The result has been a very great expansion of the wheat area of the United States. Whereas most of the wheat used to be grown in the areas climatically best suited to its production, the middle west and so on, now wheat is being grown in every state of the union and, in addition, is being produced in greatly increased quantities. Thus the amount of money which has been poured into that commodity in the United States has produced greater problems than those that existed before all this money was spent.

In providing assistance, this is one of the things you always have to keep in mind and it is one of the great problems which have to be solved; the assistance must be provided in such a way that it will not stimulate production and thus create a surplus and give rise to fresh problems.

When this sort of thing happens you also get difficulties from the strictly agricultural point of view. The economic utilization of soil resources is interfered with, and you get a general imbalance in the agricultural economy.

On that general point I think one could say that two of the essentials of any form of agricultural assistance which may be provided are, first, this matter I have been talking about, that the assistance should not serve as an incentive to pile up unsaleable surpluses; second, that the type of assistance should not be such as to serve as an impediment to the marketing or free trade of the commodity which you are supporting. The acreage payment we are proposing meets both these basic requirements.

The so-called deficiency payments which so many hon. members opposite said we should have paid, and which were requested by western farmers do not, on the other hand, meet these two basic requirements. If these deficiency payments had been made there is no question but that they would have stimulated a very great increase in the amount of wheat production. The acreage of wheat in Canada at the present time is some six or seven million acres less than it was some ten years ago, but if the scheme proposed, which was really a disguised form of the same type of price support for wheat which has been in effect in the United States for many years, had been put into effect here the inevitable result would have been the same as in the United States; that is, to cause a great deal more land to be put into wheat production, a great increase in the amount of wheat produced and consequently an intensification of the serious surplus situation for wheat not only in Canada but in the world as a whole. Therefore it would have been unsound from that point of view.

In addition to that, of course, an increase in wheat production would have meant that once more the beneficial diversification of agriculture which has taken place in western Canada would have gone backward. Many people who have gone into other types of production would have dropped that and gone back into wheat because straight wheat farming involves much less work. It is an easier type of agriculture than raising livestock, where daily attention and care are required.

Well, from the other point of view, the availability of foreign markets, there is no question about it, as the Leader of the Opposition at least knows very well, that most countries in the world are not prepared to accept subsidized exports. There are very few places in which you can sell commodities at a subsidized price in competition with the commodities of the country to which you wish to export and in competition with other countries.

Mr. Martin (Essex East): I rise on a point of order, Mr. Chairman, not to make it difficult for the minister to proceed but so that we may have a little clarification. The item before the committee is a specific item, and we are now having from the Minister of Agriculture what we had from the Prime Minister yesterday, a discussion of the overall policy of the government on agriculture. Personally I do not object, but this is out of order. If we are to have a wide debate on agriculture it should be clearly understood that that will be a privilege accorded not only to members of the ministry but to us as well in the opposition who sometimes find, not because of you, Mr. Chairman, but because of obstruction from hon. gentlemen opposite, great difficulty in extending our remarks beyond the particular item.

Therefore it must be clearly understood now that this general discussion on which the Minister of Agriculture is launching is a general discussion that must not be denied to other hon. members; otherwise the Chair must take the position that all we can discuss is the particular item before the committee. I know the hon. member for Greenwood, who looks so intent, fully agrees with me.

Mr. Harkness: Mr. Chairman, I maintain that the contention the hon. member has

made is completely incorrect. Everything I have said has been directed to this particular item. I am not going into a general discussion of agriculture; I am talking about assistance which is being provided to western farmers by this estimate. I am explaining why this particular type of assistance, in the opinion of the government, is much preferable to the type of assistance the western farm organizations and some members of the opposition asked us to put into effect, namely the so-called deficiency payments on western wheat, oats and barley. Everything I have said is directly related to the estimate under consideration, and in no way is a general discussion of agricultural matters. If I were on a general discussion of agricultural matters I would certainly discuss a lot of other things completely unrelated to this particular point.

That is what I have to say with regard to the point of order. It seems to me the hon. member is either attempting to interfere with my remarks by raising this particular point of order, or otherwise trying to lay the groundwork for a general speech he himself has prepared on agriculture. I would think the latter is the more likely reason for his interruption. I see the hon. member for Essex East smiles and applauds that comment. I agree with the hon. member's point of order, that this should not be a general discussion of agriculture, but certainly all the remarks I have made have been related directly to the item under discussion.

I have been emphasizing particularly the point that any form of assistance provided should meet two essential requirements; that it does not serve as an incentive to produce unsaleable surpluses, and that it is not of the type which interferes with our marketing of the product either in home or export markets. I have made the point that the so-called deficiency payments asked for would not meet either of these tests. With respect to the latter, may I point out the fact that most countries in the world will not accept subsidized exports. All the signatories to GATT object to them. Therefore if so-called deficiency payments had been put into effect on western wheat, oats and barley it would have been much more difficult for us to market these products abroad. We have to market most of our wheat abroad, and in some places where we are selling wheat at the present time, it might not have been possible to sell it at all.

Mr. Martin (Essex East): You should not have promised it.

Mr. Harkness: These are the two outstanding and compelling reasons why the request for so-called deficiency payments could not be acceded to. On the other hand, the acreage payment has neither of these disadvantages, and it meets the two basic requirements for a type of assistance which will not get us into a lot more serious trouble.

In addition, the acreage payments which are proposed here meet another very important requirement, in that they extend proportionately the greatest aid to the farmers who need that aid the most. They extend the greatest aid to the small farmers, those farmers who have had poor crops or have lost their crops because of adverse climatic conditions, hail, drought, flooding or whatever it may be. Deficiency payments would extend no aid to these people, because if they were not able to grow a crop on account of adverse conditions they would not get any deficiency payment. Therefore, under the deficiency payment plan the people who need help the most would get no help whatever. Small farmers, who need aid far more than the larger farmers, would only get a very small proportion of the assistance.

The Prime Minister pointed out on March 4, as found on page 1769 of *Hansard*, that under the so-called deficiency payment proposal 35 per cent of the western farmers, the smaller farmers, would receive only 14 per cent of the payments, and that the other 65 per cent covering the larger farmers having 200 cultivated acres or more would receive 86 per cent of the money provided. Surely that is not a reasonable sort of proposition or the form in which aid should be extended. Surely it should be extended to the people who need aid the most, and not primarily to those people who are in the best financial position and therefore need it the least.

As I said a little earlier, acreage payments do give the same amount of assistance to most of the smaller farmers as to the larger farmers, and they also provide assistance to the people who have had poor crops or who have lost their crops for any reason whatever. In this connection, Mr. Chairman, I should like to place on the record a breakdown of the permit holders in western Canada for the 1959-60 crop year. It is in the form of a table and I wish to comment on it, but first I would ask the permission of the committee to have the table printed in *Hansard*.

The Deputy Chairman: Does the committee give unanimous consent to the minister having the table printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to is as follows:*]

SPECIFIED ACREAGE GROUPS AS SHOWN IN WHEAT BOARD DELIVERY PERMITS

Specified acreage groupings	Number of permits	Average acreage per permit	Average acreage cereal crops		
			Wheat	Oats	Barley
000– 099 acres	20,323	66	15	14	11
100– 199 "	55,748	144	37	24	23
200– 299 "	48,598	248	70	37	35
300– 399 "	32,988	337	105	41	42
400– 499 "	23,820	443	146	45	48
500– 599 "	13,495	546	181	51	56
600– 699 "	10,169	637	221	48	58
700– 799 "	6,280	746	259	52	66
800– 899 "	3,805	844	292	56	70
900– 999 "	2,882	940	331	55	76
1,000–1,999 "	6,053	1,260	441	68	97
2,000–2,999 "	393	2,349	814	122	165
3,000–3,999 "	87	3,391	1,011	287	379
4,000–4,999 "	30	4,433	1,267	400	433
5 000–5,999 "	20	5,400	1,600	350	550
6,000–6,999 "	11	6,545	1,818	545	636
7,000–7,999 "	9	7,444	2,444	444	444
8,000–8,999 "	6	8,167	2,500	833	833
Grand Total	224,717	342	108	37	39

Mr. Martin (Essex East): Has the minister an extra copy of the table?

Mr. Harkness: Yes. I will be glad to send an extra copy to the hon. member. This table is similar to one which I put on *Hansard* nearly three years ago when the legislation to provide cash advances on farm-stored grain was being considered by the house. It may be compared with that table. It shows not very much change in the number of permit book holders. This break-down shows the specified acreage groupings and it shows that farmers having up to 99 acres of cultivated land—that is, of specified acres—number 20,323, and they had an average acreage per permit of 66 acres. That was broken down into 15 acres of wheat—this is on the average—14 acres of oats, 11 acres of barley and the remainder in summer fallow, cultivated hay, and so on.

Those other figures have not been put in there, because we are dealing particularly with wheat, oats and barley. Permit holders having between 100 and 199 cultivated acres number 55,748 and they have an average acreage of 144 acres. This again is broken down into wheat, 37 acres, oats, 24 acres and barley, 23 acres. The third group is those permit holders having 200 to 299 acres. They number 48,598, and their average acreage is 248 acres, which is broken down into wheat, 70 acres; oats, 37 acres and barley 35 acres.

If you add together those first three groups you find they total 124,669. The total number of permit holders is 224,717. So we find that approximately 125,000 out of approximately 225,000 permit holders have a cultivated acreage of 248 acres or less. In other words they have considerably less than a half section of land under cultivation. This is contrary to the idea that many people particularly, in eastern Canada, have, that the western farmers are all big farmers; that they have thousands of acres of land; that they go to California in the wintertime, and things along that line. These are all myths which have been perhaps, we will say, made the subject of jokes. As a result a lot of people, because these things have been repeated over and over, have come to believe them. But these figures show the fact, that 125,000 out of 225,000 farmers in western Canada have a cultivated acreage, as I say, of 248 acres or less or less than half a section.

These 125,000 farmers out of the 225,000 will receive slightly more than half the total assistance provided, more than half of the $41 million to $42 million which will be provided in this way. In other words the smaller farmers, who constitute the bulk of the farmers, will receive more than half of the assistance provided. This makes a very, very much fairer way of providing assistance than one based on the number of bushels that a man produces, which is what was asked for.

Mr. Martin (Essex East): The number with 400 acres and up is quite large, is it not?

Mr. Harkness: I beg your pardon?

Mr. Martin (Essex East): The number of those with 400 acres and up is quite large, too?

Mr. Harkness: It comes to about 60,000-odd farmers with 400 acres and up.

Mr. Martin (Essex East): Six thousand with 1,000 acres and over?

Mr. Harkness: Yes. I wanted to have this table put on the record because I think it is very interesting and very illuminating. It particularly demonstrates this point I have just been making, that the great majority of farmers in western Canada are not big farmers; they are small farmers, 125,000 out of 225,000. They are the people who particularly need assistance, and they are the people to whom this scheme provides the bulk of the assistance.

The producers of western wheat, oats and barley, as hon. members of the house know, are the only people who are not provided benefits under the Agricultural Stabilization Act. Every other agricultural product in Canada is eligible for support under the Agricultural Stabilization Act. During the past two years we have supported some 20-odd commodities under that act. As a result of that, as a result of some increased tariff protection which we have provided, and as a result of import quotas and restrictions, particularly on dairy products, producers of agricultural products other than western wheat, oats and barley on the whole have received prices as good as or better than have been received by farmers in any other country in the world.

I would just like to demonstrate that by a few figures, to show what the returns for farmers engaged in other branches of agriculture have been in Canada during the past two years, as compared with farmers in other countries. This will show that the support we have provided under the Agricultural Stabilization Act by import controls and some tariff protection has meant that farmers other than the western wheat, oats and barley producers have received a large measure of support and have enjoyed prices which have compared very, very favourably with those of farmers in any other country.

If we take the case of cattle, in 1959 good steers in Toronto averaged $25.10; in Australia, $11.12, less than half as much; in Denmark, $13.96; in New Zealand, $7.60; in the United Kingdom, $19.09, and in the United States, $25.48, practically the same as in Canada. We were $25.10 and they were $25.48. That is the picture on cattle. In the Antipodes the price was well under a half, in one case a third, of what our farmers were getting for cattle in 1958.

In 1958 the picture is much the same. If we take the case of hogs in 1958, in Canada the figure was $29.13; in Australia, $25.75; in Denmark, $25.75; the United Kingdom, $25.79, and the United States $27.02. Our price was higher than any of those countries. The only country which was as high or higher than ours was West Germany.

[Mr. Martin (Essex East).]

Mr. Boulanger: Can you give us the figures for 1959?

Mr. Harkness: I am just coming to that. In Canada, $24.80; Australia, $30.58; Denmark, $25.69; the United Kingdom $26.37, and the United States $19.55, as compared to $24.80 in Canada. Of course the reason our price was down from 1958 was that the price during 1959 was at the floor level nearly throughout the year. The measures which we took to place hogs under deficiency payment have resulted in a decrease in production and an increase in prices, so that prices for some time now have been around $4, $5 and $6 a hundred above the support price.

Mr. Boulanger: What about eggs?

Mr. Harkness: The same situation has taken place with regard to eggs. The price of eggs has gone up. The surplus situation is over, eggs are at a reasonable price, are likely to be at a better price and to remain there. Now we come to lambs.

Mr. Martin (Essex East): We are discussing everything; we might as well discuss the general agricultural policy of the government.

Mr. Harkness: Mr. Chairman, once more I must point out that I am relating this directly to the situation of the western farmers. I am pointing out that farmers, apart from the producers of western wheat, oats and barley, have enjoyed the advantages of the Agricultural Stabilization Act and of various other support measures which have been provided by this government. As a result they have enjoyed prices much better than many other countries and as good as any in any country of the world.

Mr. Martin (Essex East): No objection.

Mr. Harkness: Let us take lambs as an example. The prices in 1959 were as follows: Canada, $21.15; Australia, $8.24; New Zealand, $8.59; the United Kingdom, $13.41; the United States, $20.64. The highest price for lambs in any of those countries was that paid in Canada.

If you take dairy products you find the same thing. The price paid here was the highest in any country in the world except in West Germany, where the price was slightly above ours. Butter prices in 1959 were as follows: Canada, 63.2 cents; Australia, 47 cents; Denmark, 41 cents; West Germany, 66 cents; New Zealand, 33 cents; New Zealand butter selling in the United Kingdom, 41 cents; the United States, 58 cents.

The same thing applies to cheese. The 1959 prices were as follows: Canada, 37.1 cents; Australia, 28 cents; Denmark, 23 cents; West Germany, 33 cents; New Zealand, 20 cents; Canadian cheese selling in the United Kingdom, 41 cents, New Zealand at 35 cents and Dutch at 33 cents; United States cheddar cheese, 31 cents. This compares with a price of 37 cents in Canada.

The hon. member mentioned eggs a little while ago. The average price for grade A large eggs in 1959 was 43.1 cents a dozen in Canada and 32 cents in the United States, a difference of 11 cents in our favour. Prices in other countries were as follows: Denmark, 31 cents; West Germany, 42 cents; British domestic eggs in Great Britain, 48 cents. That was the highest price for eggs any place.

I could deal with potato prices and the prices of other products, but I will not take any more time in dealing with this subject. What these figures demonstrate—and this is the point I want to make—is that agriculture in this country has received a large measure of protection through the stabilization act. As a result the farmers of this country have received very good prices compared with those received in any other country in the world you wish to take, and very much higher prices than in most of those countries.

The wheat farmer and the western oats and barley grower have not had the advantage of this stabilization act; therefore some special type of assistance is required in order to balance things off. This is one of the things which is necessary in providing assistance to agriculture, that you balance the kind of assistance you give to different commodities and to different regions or areas and so forth. You have to keep the assistance in balance; otherwise you get a surplus production in one line and a reduction in production in the other, you have a shortage of one commodity and a surplus of another. I mention this in order to show that the payment of this particular form of assistance to western farmers is necessary, required and desirable in every way, in my opinion.

The Deputy Chairman: I am sorry to interrupt the minister, but I am obliged to advise him that his time has expired.

Mr. Martin (Essex East): The minister should continue his general discussion of farm products.

The Deputy Chairman: Does the committee give unanimous consent to let the minister continue?

Some hon. Members: Agreed.

Mr. Harkness: I thank the committee for extending my time and wish to assure them than I will not speak at undue length.

As the Prime Minister pointed out yesterday, the western farmer has been aware that he was not under the stabilization act as far as wheat, oats and barley were concerned. Western farmers and farm organizations, and particularly western members of the Conservative party, have been pushing for many years, really, for the introduction of what is generally referred to as a two-price system for wheat. This payment will give to western farmers the equivalent of a two-price system for wheat. It will give them a sum such as they would receive if the proportion of their wheat used for human consumption in Canada were placed under a two-price system at a very considerably increased price over the general world market price.

One other point I should like to make is that the money provided by this vote will have an extremely beneficial effect on the whole Canadian economy. The farmers who receive this money are not going to put it in a sock and keep it there. This money will be going into circulation and will roll through the whole economy. It will mean that sales of all kinds will be stimulated. The result will be a considerable increase in employment, in manufacturing, merchandising, transportation and so on. From that point of view the benefits of the payment will be spread all throughout Canada.

The hon. member for Essex East made some remarks yesterday when this matter was introduced on which I should like to comment to some extent. The hon. gentleman said that the meagreness and insufficiency of this program was deplorable, or something of that nature.

Mr. Martin (Essex East): I said it was inadequate and not in conformity with the government's promises.

Mr. Harkness: I was concerned about the hon. gentleman's reference to the meagreness and insufficiency of this program. I should like to point out to him that the demands for these payments on the part of the western farmers arose out of a period during which the government of which the hon. member for Essex East was a member was in office. The demand was for deficiency payments for the 1955-56, 1956-57 and 1957-58 crops. It was only for the latter of those three years that this government was in power. In other words, the farmers asked for a payment to make up for the losses they maintained they had suffered under the government of which the hon. member for Essex East was a distinguished member.

What sparked this demand for deficiency payments on the part of western farmers was the fact that the previous government gave them very little support of any kind. During that period they suffered a considerable decrease in income, and their grain was not being sold. It was being sold in constantly decreasing amounts until we came into power and stepped up the sales of western wheat in particular.

This fact is clearly shown by the net income per farm worker during those periods. In 1953, which was one of the big years, the net income per farm worker was $2,740 but in 1954 it was only $1,367, less than half as much. This is what started a great deal of the agitation in western Canada for assistance of this kind. In 1955 it was $2,071. In 1956 there was a good crop and a fair sale and it rose to $2,783, but then in 1957 it was down again to $1,617. In 1958 it was back up to $2,170 and in 1959 it was $2,410.

The hon. member for Essex East said that net farm income in 1959 was less than in 1958. I have given the net income per farm worker. The net income per farm, of course, was greater than that. I mentioned those figures to show that although the net income for all farmers in 1959 was somewhat less than in 1958, nevertheless the net income per farm worker was more in 1959 than in 1958. The statement which the hon. member for Essex East also made in speaking yesterday, along the line that the net income in 1959 was below that of 1958, is one which he is very fond of making. He never relates it to the fact that the net income in 1958 was 28 per cent higher than in 1957.

Mr. Martin (Essex East): But take a comparable figure.

Mr. Harkness: In 1958 the various measures we took resulted in a very considerable increase in the net income received by farmers. It is true that in 1959 the net income did fall, but it did not fall to anything like the level it had reached in 1957 or in 1955, when the government of which the hon. gentleman was a member was in power. This is a point which I think should be brought out more strongly in order to keep the record straight.

Mr. Boulanger: The minister mentioned net income for the farmers, but not income from the sale of farm products.

Mr. Harkness: Well, naturally the only way a farmer gets his net income is through the sale of his products. These are the dominion bureau of statistics figures as to farm income for various years from 1950 to 1959. I have just read off the figures for the last five or six years. What I am doing is indicating that with regard to these complaints by the hon. member for Essex East and his colleagues concerning what they call the meagreness of this provision and the insufficiency of that provision, if there is any meagreness or insufficiency it is due to the fact that they did nothing to assist the farmers when they were in power. The result was that the farmers in Canada felt they had a lot to make up, so they asked us for payment to make up for the last two years during which hon. gentlemen opposite were in power and the first year we were in power.

As to the assistance provided, it is quite clear from the figures of the Department of Agriculture alone how much more assistance has been provided by this government than was provided by the previous government. This is clear from the annual total expenditure. For example, in 1954-55 this amounted to $81.7 million; in 1955-56, $79.7 million; in 1956-57, $84.6 million; in 1957-58, $94.6 million; in 1958-59, $165.8 million and in 1959-60, $181.3 million or more than twice as much as those hon. gentlemen who now say this is meagre and insufficient provided during the last three years they were in office. Yet despite this they have the effrontery to get up here and say that what we are doing is meagre and insufficient.

Mr. Martin (Essex East): In relation to your promises.

Mr. Harkness: In addition to the figures I have given you have to add the amount paid for storage on grain, which is paid by the Department of Trade and Commerce, and the amount provided under the Colombo plan, and these are very considerable amounts. We provided under the Colombo plan $26.5 million in 1958 for agricultural products, chiefly wheat, to the Colombo plan countries. In 1958-59 the amount was $19.8 million, and in 1959-60, $14.6 million. In the last year the government of which the hon. gentleman was a member was in power the amount provided in this way for Colombo plan countries was $2.6 million. Yet the hon. member for Essex East talks about the meagreness and insufficiency of the help being provided to farmers. We have provided so much more help to farmers, and not only to western farmers but to farmers throughout Canada, that there is absolutely no comparison with the assistance provided by the former government.

I think I have outlined, probably at as great length as is necessary at this time, some further reasons in addition to those given by the Prime Minister why this assistance should be provided and why this particular method of providing this assistance has been adopted by the government.

(Translation):

Mr. Boulanger: Mr. Chairman, the minister has brought down his third supplementary estimates for the year ending March 31, 1961.

Item 576 provides for an amount of $42 million to allow for the payment of a dollar an acre to wheat growers of the prairie provinces.

We might have expected the minister to stick to that item, but he went quite far afield to discuss the general conditions of agriculture. In fact, he repeated for the third or fourth time what he has been saying since January 14, 1960.

While I may not have had as much time to study the agricultural situation as the minister, I would be remiss were I not to correct certain figures which were quoted, or to offer my version of present agricultural conditions. My speech will be short.

In the "Farm and Cash Income Report" for March 1960, we find that revenue from the sale of farm products for January, February and March 1960 are down to $588,000,000, as compared with $638,864,000 for 1959, which represents a decrease in revenue of $50,000,000 over a period of three months.

The minister mentioned the prices of various agricultural products in other countries. He obviously selected the prices of the products which suited him and best served to vindicate the government's agricultural policy.

The minister made no mention of the price of wheat, but gave us the prices for beef, eggs, and hogs. He did not mention the prices western farmers are getting for their grain.

I have here a bulletin entitled "Wheat Pool Budget", July 1960 issue, showing comparative support prices for wheat in various countries. I shall only mention wheat exporting countries.

In Canadian dollars, the support price stands at 94 cents in Argentina, the wheat producing country where prices are the lowest. In Australia, the price is $1.58; in France, $2.01; in Italy, from $2.59 to $2.80; in Morocco, $2.03; in New Zealand, $1.80; in South Africa, $2.17; in Tunisia, $2.12; in Turkey, $2.58.

If I look at the list of higher support prices, I note that Yugoslavia offers $3.01; Switzerland, $4.01; Norway, $3.26.

Those are the figures the Minister of Agriculture should have mentioned.

(Text):

Mr. Brunsden: Would the hon. member permit a question? Would he identify—

Mr. Boulanger: If you do not mind I will make my remarks and then answer your question.

Some hon. Members: If you can.

Mr. Boulanger: All right.

Mr. Brunsden: Would the hon. member mind identifying the countries which consume their own wheat and those which are on the world export market?

(Translation):

Mr. Boulanger: Wheat importing countries? I think that is the question put to me by the hon. member for Medicine Hat (Mr. Brunsden). Here they are:

(Text):

Mr. Kindt: May I ask a supplementary question. How many pounds are there in a bushel of wheat?

Mr. Martin (Essex East): That question from the hon. member is intended obviously to be frivolous, but the hon. gentleman who is speaking is addressing himself to this serious question and this kind of interruption is the kind—

The Deputy Chairman: Order. The hon. member who has the floor did not have to recognize the hon. member who asked the question.

(Translation):

Mr. Boulanger: Mr. Chairman, I would have liked to answer the hon. member, even if he did ask a nonsensical question. Before asking such questions, he should make inquiries.

Now, I said a few moments ago, that the revenue from the sale of farm products was down $50 million during the January-March period. In 1959 the income from the sale of agricultural products decreased by 11.1 per cent compared to 1958. Moreover, we shall see in a few months' time whether the farm policy of the Conservative government has any value, more particularly when we will have the figures for the two first quarters of 1960. When we come to the end of the year, that is December 1960, we shall see whether the policy applied by the Conservative government was adequate, as farmers are being led to believe.

On announcing payments to western wheat growers of $1 per cultivated acre, up to a maximum of 200 acres, the Prime Minister tried to take an attitude of satisfaction; unfortunately it is hardly a justified attitude under the circumstances; he knows very well that this was not the way he spoke during the elections of 1957 and 1958. Several times during debates in the last few sessions, we have had the disagreeable task of reminding the Prime Minister of the promises he had made. If we do so, it is simply

because we want to point out the irresponsibility of this government, as well as the irresponsibility of the hon. member who just asked me a question. All this is very easy if we compare those statements with the government's actions in respect of our farmers and more particularly western farmers.

I propose to quote a few more of those formal promises which the Prime Minister made in 1957 and 1958 and we shall confront them with the government's actions.

In 1957, he said in Newcastle—it was in April 1957 and more particularly April 26—as published in the Toronto *Daily Star*:

(Text):

To restore their fair share of the national income, he pledged, a Conservative government would launch a flexible price support program, call a commonwealth trade conference, launch an aggressive farm products selling policy, and reduce the spread between farm and consumer prices for agricultural products.

(Translation):

And further on he said:

(Text):

Between 1951 and 1955, he said, the farmer's share of the consumer price dollar dropped from 59 to 51 cents.

And I must say that in 1960 it is 44 cents. Then at Shawville on May 6, 1957 the Prime Minister said this:

Since 1941 the Conservative party had been advocating floor prices based on a fair price-cost relationship, he said. Liberals regularly voted against it. Only at the very depth of the world depression in the 1930's and then only for a 13-month period was there worse relation than today between the prices of what the farmer sells and what he buys.

(Translation):

And on page 15 of this 150 page book of Conservative government promises, I read what the Prime Minister said at Minnedosa, Manitoba, on May 16, 1957:

(Text):

The national Conservative leader wound up a three-day tour of Manitoba last night by pledging action to reverse the continuing decline in farm income.

The farmer was the forgotten man in Canada and only a Conservative government could restore the prosperity he once enjoyed, Mr. Diefenbaker told more than 1,000 persons last night in this farming community 135 miles west of Winnipeg.

To farmers—whose average family income has dropped from $3,600 to $3,000 since 1951 while the average income across Canada has risen from $4,100 to $4,900—his message was obviously effective.

(Translation):

Unfortunately, I haven't got the figures for 1960; yet, I would have liked to take a few minutes to tell the committee what the average farm income now is, compared to 1951. If I understood him well, the Minister of Agriculture gave us the figure of $2,410 as farm income, which would mean an increase over 1958; now the Prime Minister said, on the other hand, that the farmer's income had been $3,000 in 1957, as compared to $3,600 a few years before.

I could go on listing a great number of other promises made by the Prime Minister, but I shall recall only one, which was pointed out by the hon. member for Essex East. It was made in Toronto, on April 25, by the Prime Minister himself. Here it is:

(Text):

We will assure the farmer of his fair share of the national income by maintaining a flexible—and I underline the word "flexible"—price support program to ensure an adequate parity for agricultural producers based on a fair price-cost relationship.

(Translation):

Mr. Martin (Essex East): That was in 1957, is it not?

Mr. Boulanger: In 1957. Those were the fine promises they made when they wanted to get into office. They were out not so much to help farmers but to satisfy their ambitions.

Those are the results that followed the exaggerated statements of the Conservative government. Let us take, for instance, the increase in the cost of commodities and services purchased by farmers.

The Minister of Agriculture likes to talk about the price of farm products. Of course, he picks and chooses the prices that suit him best, and those of countries that support his case. But he never said a word about the increase in the cost of commodities and services purchased by farmers, nor about the price index of products sold by farmers.

(Text):

I hold in my hand the price index of all commodities and services used by farmers. I will take April, 1957 and compare it with April, 1960. The composite index, exclusive of living components, in April, 1957 stood at 257.5; in April, 1960 it was 276.3, an increase of 18.8 points in three years. If we take the farm machinery index we see that it increased in the same period by 30.3 points.

(Translation):

If we now consider the index of prices obtained for farm products in 1957, we note that it reached—

(Text):

Mr. Harkness: I do not want to interrupt the hon. member but I think he is going a little far and I should like to ask him how he is relating all this material to the estimate which is under discussion. When the hon. member for Essex East raised this point of order when I was speaking I fully agreed

with him, and I pointed out how I related everything that I said to the estimate under discussion. So far, however, the hon. member has not related anything he has said to the item under discussion; he has just been giving a general speech on agriculture.

Mr. Martin (Essex East): Mr. Chairman, this is a most extraordinary intervention on the part of the Minister of Agriculture.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Of course we have the interjection of hon. members who sit behind the ministry, who object to any remarks made from this side. If we are to be allowed to conclude our work, hon. gentlemen are going to have to allow hon. members in the opposition to speak, notwithstanding their wishes.

Now, Mr. Chairman, this is a difficulty that arises when in a short period a time there is a change in the person who occupies the chair. When the Minister of Agriculture spoke he covered a wide front. I intervened and pointed out to the chairman, as *Hansard* will show, that the Minister of Agriculture was not discussing the particular item but was engaging in a general discussion on agriculture. I told him I had no objection to that, but I wanted the Chair to note what the Minister of Agriculture was doing so that the same right would be afforded during the day to hon. members who wished to follow the example of the Minister of Agriculture. Now, during the speech to which we have just been listening, which is an answer point by point to the speech of the Minister of Agriculture—

Mr. Harkness: The hon. member has not been answering my speech; he has been reading a prepared speech.

Mr. Martin (Essex East): The minister ought not to make such remarks. The hon. gentleman who has the floor is as well informed on agricultural problems as the Minister of Agriculture. This is the kind of remark we have had directed from government benches at the hon. member. One of those remarks has come from the far corner and the other from the front bench, from the Minister of Agriculture. There is no more sincere man—

Mr. Harkness: I rise on a question of privilege—

Mr. Martin (Essex East): It is not a question of privilege.

Mr. Harkness: My question of privilege is that the hon. member for Essex East has said that I insulted the hon. member for Drummond-Arthabaska. I insulted the hon. member for Drummond-Arthabaska in no way whatsoever, and I think the hon. member for Essex East owes me an apology for saying that I had insulted him. The hon. member for Essex East is merely trying to cause trouble where otherwise no trouble would exist.

Mr. Martin (Essex East): Mr. Chairman, all I want to say is you were here when the hon. member was being asked a question that could have only one implication; that is, that the question addressed to this particular member must be regarded as one put in the form of an insult. I repeat, the observation made just a moment ago and directed to the hon. member was of the same nature, and I do not propose to withdraw because this hon. gentleman has devoted himself to the problems of agriculture. Because he does not have facility in the English language is no reason why he should be insulted; but if the hon. gentleman and others will follow what he says in French they will see that he speaks on agriculture with as great competence as does the hon. gentleman.

The point is this, Mr. Chairman. The minister has taken exception to the speech now being made. I would point out to you that the Minister of Agriculture traversed the same ground, and it is unbelievable that having been himself guilty of that offence which he urges now, he should charge another hon. gentleman with violating the rules. This is a most extraordinary performance on the part of the Minister of Agriculture.

Mr. Harkness: Mr. Chairman, on the point of order, what is extraordinary and unbelievable about this is the outburst of the hon. member for Essex East. All I did was ask the hon. member for Drummond-Arthabaska how he was relating his speech to this particular item. I said at the same time that when the hon. member for Essex East had raised a point of order previously I had related everything that I said to the item under discussion and, quite contrary to what the hon. member for Essex East has said, it was not a general discussion of agriculture. I related everything I said to the item under discussion, and this statement which the hon. member for Essex East has made that members on this side of the house are attempting to insult the hon. member for Drummond-Arthabaska because he does not speak English very well is an unbelievable piece of perfidy on the part of the hon. member for Essex East.

Mr. Habel: That is what you are doing.

Mr. Harkness: It is a piece of hypocrisy to which I take the greatest objection.

(Translation):

Mr. Boulanger: Mr. Chairman, on the point of order raised by the Minister of Agriculture,

I could put to him the same question he put to me: What connection is there between what he said and the budget resolution now under discussion? What did the Minister of Agriculture say in his statement? He dealt with anything but the item being dealt with.

Mr. Martin (Essex East): Hear, hear.

Mr. Boulanger: I have just been asked to restrict my remarks. All I am doing is to reply to the Minister of Agriculture in my mother tongue.

Mr. Habel: Hear, hear.

Mr. Boulanger: I was saying—

(Text):

The Chairman: Order. I think I should indicate the view of the Chair on this point of order. I was not in the chair when the Minister of Agriculture spoke; I do not know what range was covered in his remarks, but I understand that the hon. member for Essex East said at the time he expected that the same latitude would be given to the opposition.

I must say that strictly speaking this would not be a good reason for giving the same latitude, but I think generally speaking one has to allow a reply to the introductory remarks made by the minister. Yet at the same time, because the minister may have been outside the scope of the debate or the item under discussion, this is no reason why all hon. members should necessarily have the same right. I do not want to restrict the hon. member for Drummond-Arthabaska too much, but I simply warn him that if he thinks he has to deal with everything the minister said it may be that the whole debate will become out of order. I count on his co-operation in trying to follow the rules of strict relevancy when we are discussing estimates.

Mr. Martin (Essex East): Mr. Chairman, I appreciate your difficulty and I do not disagree with what you have said. However, I would ask you to have a look at the *Hansard* typescript during the lunch hour and note the discussion that took place. It is regrettable that the gentleman who was in the chair then has not continued during this period. That is something over which I have no control, but I would ask you to look at the *Hansard* typescript to note the discussion, the observations made by the Chair, the observations made by the Minister of Agriculture, and then say whether it would be just now to deny to any hon. member the opportunity which the Minister of Agriculture took, with the consent of the Chair, in such flagrant violation of the rules of the house.

Mr. Harkness: Mr. Chairman, I should like to join in the request of the hon. member for Essex East that you examine what was said, because I think it will show conclusively that everything I said was related to this item. The hon. member for Essex East has once more demonstrated his basic discourtesy in this house by making a statement about flagrant disregard of the rules of this house on my part when he knows that is incorrect, and when he himself is the greatest disregarder of the rules of the house.

The Chairman: I have told the hon. member for Drummond-Arthabaska that I do not intend to be too strict and, if necessary, the Chair will consult the record during the lunch hour.

(Translation):

Mr. Boulanger: Mr. Chairman, the incident being closed, I shall continue with my remarks and say that between 1957 and 1959 the price index for farm products went up from 234.2 to 240.3. I am taking those figures from circular No. 62003, for the month of June 1960. This means that the price of farm products has increased by 9 points, whereas the prices of farm implements and machinery went up 30 points.

It might be interesting to take a look at farm income in the western provinces during the first three months of 1960. Circular No. 21001 points out that, for the first quarter of 1960, the income from the sale of agricultural products, was $4.7 million in Manitoba, close to $26 million in Saskatchewan and, $16.2 million in Alberta. That is why I said just now that the income from the sale of farm products in Canada had fallen by $50 million in the three first months of 1960.

There you have the relation between the promises made by the Prime Minister, by the Minister of Agriculture and the Conservative government in 1957 and 1958, and what we are getting today as a result of that policy of laisser faire. In other words, income has dropped throughout the country, except in the maritimes, where the increase is substantial.

Farmers will no doubt be glad to get a dollar per cultivated acre, up to 200 acres, in 1960, because it means $42 million to them. However, it should not be felt that their problem is solved. Next year, farmers will make the same requests. The agricultural policy of the Conservative government has no basis; it is a policy of expediency, a day-to-day policy. Therefore, like western farmers, we shall have to wait for the day when a Liberal government is returned, to restore the situation.

Mr. Pigeon: You have a long wait ahead of you.

Mr. Ricard: It will take too much time for nothing.

Mr. Boulanger: It has been said that western farmers spend the winter down south, either in California or in Florida. The Minister of Agriculture indicated a moment ago that farmers no longer go down south. That is true, because they can no longer afford it. If they did go south in past years, it was because they had an income that enabled them to take a well deserved vacation. And it was only a minority that could go to these tourist spots.

Mr. Tremblay: Nonsense.

Mr. Boulanger: Now they can no longer afford it. So they are waiting for the day when we have a new government and when there is improvement in Canada's agricultural position.

(Text):

Mr. Horner (Acadia): Mr. Chairman, we are dealing with item 576, which provides for higher returns to western farmers for wheat used for human consumption in Canada. This is something that western farmers have advocated for a long time. As a new member of the house, I have noticed in reading past debates in *Hansard* that the Prime Minister advocated such a move in 1946, I believe it was. So this is something that has come about this year because it has been needed, because the farmers felt they had a right to it.

When the announcement was made yesterday the hon. member for Essex East got up and said this was a hand-out and that the farmers had waited a long time for it. Let me tell the committee, Mr. Chairman, that the farmers have waited approximately 11 years for it. The former government sold the farmers down the river from 1945 to 1949. The farmers of western Canada were supposed to get some compensation in 1949 for having subsidized every person in Canada by selling wheat to the British at below world prices. The farmers sold wheat to Great Britain at below world prices because of the deal which the government of which the hon. member was a member cooked up. They thought the farmers of western Canada were going to become too wealthy, and so they curtailed their income.

The farmers of western Canada have waited for something from this government for a long time, and I am pleased to see that they are now starting to get something. Therefore when the hon. member for Essex East says that the farmers have waited a long time, I can agree with him. They have waited 11 years, from 1949.

With respect to the period from 1945 to 1949, the hon. member for Drummond-Arthabaska started to quote the cost of commodities and services used by the farmers, and said there had been an alarming increase in the past three years. Let me deal with the increase from 1945 to 1949. I will use the same dominion bureau of statistics pamphlet, volume 16, No. 2, and the index is on the basis of the period from 1935 to 1939 equalling 100. In 1945 it was 140; in 1950 it was 200. It increased 60 points in five years, when they sold our wheat at below the world price, and he talks about them having waited a long time. Yes, they have waited a long time and I am glad to see they are getting something, now that they have changed the government.

While I am on this particular point, looking at the *Financial Post* of July 30, an independent magazine, there is an article headed "Where the tax money goes". It says:

> Canadian farmers are getting three times the subsidy help from the taxpayer they were getting as recently as five years ago.

So at least somebody realized it; somebody realized that this government is giving some substantial help to the farmers. I am certain the farmers in my constituency will appreciate it to quite an extent.

The hon. member for Vancouver East, when he spoke about this in the house yesterday, seemed a bit worried about the small farmer who had less than 200 acres. What would happen to the small farmer under the deficiency payment program that his party advocated? I do not know what the Liberal party has advocated, because they have never yet said in this house what they do advocate.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): The only thing I can do is judge them by experience. Then that would be nothing, because they have done nothing. The hon. member for Vancouver East seemed worried about the small farmer. What would happen, under the deficiency payment idea to the farmer who was hailed out or dried out in the past year or this year, or had his crops snowed under last year and because of late harvesting last fall it was frozen and damp and he decided to feed it to cattle during the winter? What would happen to him under the deficiency payment idea? He would get nothing at all. There were a great many farmers in western Canada who did harvest their crops as late as November and part of December last year and, finding their grain a bit damp and too hard to move, fed it to cattle and hogs.

So the hon. member for Vancouver East seems a bit worried about the small farmer. Under this type of program the small farmer is getting something. Under the other it is questionable whether he would have got anything. Of course, when you consider that the money is coming out of the federal treasury, then it must go to as many farmers as possible. Whether the farmer is a big farmer or not, he is still entitled to as much money as the next fellow, when the money is coming out of the federal treasury. That is something that should be realized by a great many big wheat farmers, who may feel they are due for greater assistance because of the greater volume of wheat they have to sell. They have no more right to more money from the federal treasury than the small farmer who perhaps feeds all his crop, or sells a small amount of grain.

The last time this payment was made, in 1958, the hon. member for Assiniboia called it peanuts, nothing but peanuts. Well, this will mean a great deal in my constituency. It will mean perhaps $1,400,000 spent in the constituency of Acadia this fall. It will mean about 11½ cents a bushel for every bushel of wheat sold by western farmers through the Canadian wheat board. Figure it out for yourself. There are approximately 360 million bushels delivered. Divide that into $42 million, and it comes to about 11½ cents a bushel. Certainly that is not peanuts to my farmers, and they certainly will appreciate it.

I noticed that the hon. member for Drummond-Arthabaska was worried about the price of wheat. He read off a great number of countries which were selling wheat, some at lower prices than Canada and some at higher prices. He did not say, when asked, what countries exported and what countries imported. He went on to Rumania, Yugoslavia, and a bunch more countries. Even Switzerland was a net exporter, according to his figures. I never knew of Switzerland gobbling up too much of the export market. On his figures we will agree that perhaps the Canadian farmer is a little lower than the United States farmer. He is higher than the Argentine farmer, and about the same as the Australian farmer. Those are the three big exporting countries. France is now coming into the export picture, and has a considerably higher price.

I know that if the hon. member for Bonavista-Twillingate were here he would be on his feet speaking about cod and wanting this assistance for his cod fishermen in Newfoundland. To be fair to the eastern members, looking at the dominion bureau of statistics index of farm prices and agricultural products, 1960, No. 6, it lists for June, 1960 the monthly index for the provinces of Canada, and it is evident that the provinces of Manitoba, Saskatchewan and Alberta are lower than the eastern provinces, and lower than British Columbia.

This is a step that we western members have advocated. We have stated time and again that the farmers need an acreage payment and will appreciate an acreage payment; and because of the subsidization that they gave for Canada to Great Britain during the war and after the war, they felt they had a just claim to it.

It is evident in this same article in the *Financial Post* of July 30 the way farm subsidies have increased. The hon. member for Essex East said we had done nothing, and the hon. member for Drummond-Arthabaska said the farmers are just itching for a return to their type of payment. It is obvious that since the year 1957, when there was a change of government, farm subsidies increased from $50 million in 1956-57 to about $116 million the next year, and the following year to $130 million. This year it is estimated that with this $42 million there will be about $122 million directed into farm subsidies in order to bring about better and greater income returns for the farmers.

I am certainly convinced that the farmers wanted this, and they will appreciate it. The minister stated that payments—and I am not going to rehearse what he has already stated—under this type of program will not tend to build up surpluses and will not interfere with marketing. I think that is a point that should be stressed when considering this type of payment over any other type that may be devised.

The hon. member for Essex East said this is a hand-out, but I want to point out quite clearly that it is certainly not a hand-out. It is a payment to the farmers, as suggested in the item which I read out when I started; it is a payment to give higher returns for wheat used for human consumption, and as long as that is coming out of the federal treasury it should go to all farmers as equally as possible.

The hon. member for Essex East said that the government should have called upon the liaison committee of the western farm unions and had a full discussion with them. The government, as the Prime Minister stated yesterday, was only right in contacting the liaison committee after they turned down deficiency payments, wanting some suggestion from them. They were only right in stating, "Please put it in writing so that we can study it before you come down here".

That was one of the objections I had to the farmers' action when they marched down here in February of 1959. If they had sent

their brief down ahead of time the government could have undertaken a thorough study of it. I can well remember the Prime Minister telling the farmers in the Chateau Laurier that if he had had a copy of their brief even the day before they presented it, he could have perhaps presented a better answer to it. That was the very thing he had in mind when he asked the liaison committee to put their views in writing so they could be studied. He said, "We will be able to discuss your problems, if we get it". But they would not. Mr. Wesson got stubborn, or something like that. There was a big press article in the *Western Producer*, "Why should we devise a policy for you?" They were certainly not asked to devise a policy; they were asked to put their views in writing, which was only a legitimate request, and I wish they had done it. It would have given the government a chance to study it, and I certainly would like to have seen it. But seeing that they never did it I am certainly proud of the fact that we western members continued to press for some sort of assistance to western farmers and were to some extent successful in this.

We could not wait for the liaison committee to send their views. They never contacted me at any time, nor did the farm union president. I had numerous letters from farm union locals. I can honestly say I never received one that came out for deficiency payments. I received a number that suggested we make a payment similar to that made in 1958. They were not too firm in their suggestions. They endorsed our 1958 payment, and suggested that we do everything in our power to attempt to persuade the government to make another one.

That is the sort of thing the farm union locals wanted, but for some reason or other the liaison committee under the direction of Mr. Wesson wanted something larger, something practically impossible to get, so it could be used for propaganda purposes against the present government. There is no denying the fact that they have engaged in a lot of propaganda against this government. Anything they could find to use they were certainly prepared to use. That is the way it appeared to me. I believe they attempted to embarrass the government rather than present a sound argument for additional payments.

The hon. member for Drummond-Arthabaska placed figures on the record indicating that farm income was down for the first quarter of this year. The figures indicated, I believe, that it was down so much more in western Canada, $26 million I think it was in Saskatchewan, $4 million in Manitoba and $16 million in Alberta. That only supports the argument that this payment should be made. I wish to thank the hon. gentleman for putting those figures on the record. They will no doubt be of considerable assistance to him in explaining to the farmers in his eastern constituency why this went out to western Canada. I am certain it will be of benefit to him.

I believe I mentioned that in my own constituency there are over 7,000 permit holders. Mine is a fairly large constituency in the east central part of Alberta. Part of it is in perhaps the driest region of Alberta. My constituency is half dry and half wet, and I am not referring to spirits.

In the northwestern part of my constituency there is a heavy concentration of farming, part of which is made up of small farms where there is a heavy concentration of livestock. In the south there are perhaps larger farms and ranching on a bigger scale. In the east and west there are many straight grain farms. My constituency is subject to drought to a considerable extent, and to hail. While I was home in July of this year a terrific hailstorm swept through part of my constituency. By a freak coincidence the hailstorm followed the same pattern it followed a year ago. By and large the same persons who were hailed out a year ago were hailed out this year, with a few additions. What would they get under deficiency payments? Not very much.

I was talking to a farmer about hail and asked if he were insured. He explained that he collected insurance last year, and because he did so his insurance rate jumped from about 10 per cent to 16 per cent. So he did not insure this year, because he never dreamed he would be hailed out again.

Mr. Brunsden: That was the Alberta hail board.

Mr. Horner (Acadia): That may have been so, but he did not have insurance this year. He is a young fellow who just bought his farm. How would he maintain a living under deficiency payments? He would not have any grain to sell. In the northeastern part of my constituency the storm split up in two parts—

Mr. Winch: Would the hon. member permit a question? How could he make a living out of this payment with a maximum of $200?

Mr. Horner (Acadia): The hon. member asks how he would make a living out of this. It will not be a living, but it will be a great assistance. The hon. member should worry about the fellow who would get less than $200. He would not get anything under deficiency payments. That is the point I want to make. He will finally get some assistance

from the federal treasury to which he is entitled whether he got hailed out or he got a crop.

Mr. Winch: How much did he get under the hail insurance?

Mr. Horner (Acadia): The person I referred to was hailed out last year. Because he collected under his insurance last year his rates jumped so much that he did not insure this year.

Mr. Winch: How much did he get last year?

Mr. Horner (Acadia): I did not delve into his financial problems to the extent of asking how much money he had in his pocket or how much he got from the insurance. I felt that it was his business, not mine. The point is that my constituency is subject to many weather hazards and to drought. In some parts of the constituency we get too much rain. Last fall the best wheat growing country in western Canada around Munson and Morrin got altogether too much rain. Crops were frozen down with ice because they were so heavily laden with water.

Before I was interrupted I was saying that the northeastern part of my constituency was hailed out. The hailstones were reported to be six or seven inches in diameter, about the size and shape of saucers, if that is of any interest to the hon. member. They broke right through the roofs of buildings. If this sort of thing continues these people will perhaps impress upon the Alberta government the need of that government accepting the federal government's offer of crop insurance, and I can tell the committee that in this part of my riding there is a great deal of interest in that subject at this time.

Because of the number of farmers in my constituency who will receive this assistance, because of the amount of money that will come into my constituency and because of the number of times this money will turn over before going out of circulation, much benefit will flow to persons engaged in business other than farming. A maximum amount of good will flow to the benefit of the entire economy of western Canada. It was suggested to me by an hon. member from British Columbia that if western Canada receives financial assistance, eventually some of it will drift into British Columbia, and eventually some will drift into eastern Canada for the purchase of machinery, paint and other things. It is good that this assistance will be of benefit to the entire Canadian economy, and certainly the farmers in my constituency will appreciate it. They have waited for 11 years for some assistance in this form from the federal government. This is certainly not a hand-out, and the farmers have it coming to them. On their behalf I express appreciation for this well-deserved assistance.

Mr. Ormiston: Mr. Chairman, I am prompted to take part in this discussion on the supplementary agricultural estimates for two reasons. Primarily, of course, it has always been my personal conviction and contention that acreage payments was one of the most equitable forms of agricultural assistance to western farmers. I certainly feel I can support this action by the government with impunity, since I have received from my own constituency representations from village and municipal councils, from organizations and individuals, who were all united in their appeal for consideration of the principle of acreage payments.

Second, I feel it necessary to say something on the inconsistency of the Liberal arguments which, I think, warrants some comment. Yesterday the hon. member for Essex East made an impassioned contribution regarding deficiency payments. This, of course, is not the first time he has indulged in this type of performance—

Mr. Martin (Essex East): On a point of order, would the hon. member show me where I said anything yesterday about deficiency payments?

Mr. Ormiston: I will continue, and then—

Mr. Martin (Essex East): The hon. member stated I made an impassioned statement on deficiency payments. I am not denying that in another context, but I never said anything about deficiency payments yesterday. I will today.

Mr. Ormiston: The hon. member made reference to them on September 25, at a leadership convention in Regina.

Mr. Martin (Essex East): That was not yesterday.

Mr. Ormiston: The remarks of the hon. gentleman were reported in the Regina *Leader-Post* of that date, and he said on that occasion that the federal Liberal party favours the principle of deficiency payments.

Mr. Martin (Essex East): Are you against them?

Mr. Ormiston: This statement was in direct contradiction to what had been said previously by the retiring provincial leader, Mr. A. H. McDonald, because I have here some excerpts from the speech made by Mr. McDonald as reported in the *Leader-Post* of September 24. I should like to quote the *Leader-Post* of that date:

The retiring leader, A. H. McDonald, covered the entire political waterfront. He blasted provincial and federal government policies, opposed any subsidies or protection for agriculture, and urged a nation-wide return to the principles of Liberalism.

Furthermore Mr. McDonald, who is still the Liberal leader in Saskatchewan, said that some of the farm organizations had asked for subsidies. Then he added "Being a Liberal, I do not believe in tariff protection or subsidies." The article goes on to say that when his address was over Mr. McDonald was given a standing ovation. I think that indicates some of the inconsistencies in the Liberal position.

Mr. Martin (Essex East): Freedom of speech.

Mr. Ormiston: Well, it it would appear from the remarks of those two prominent Liberals that the philosophy of one does not entirely appeal to the other. Possibly Mr. McDonald's approach is nearer that of the hon. member for Drummond-Arthabaska who indicated, as reported on page 2464 of *Hansard,* that the performance of the Liberals in dispensing $25 million in 12 years was much to be preferred to that of the Conservatives in dispensing $70 million in three years.

However, the topic has been discussed very fully by the Prime Minister and the Minister of Agriculture, and I think it only remains for me to say that in my own constituency this acreage payment will be accepted very gladly. Ours is an area in which small farms predominate, an area which has suffered from drought and hail, and it is to such farmers as these, in particular, that this payment will be most acceptable. I certainly feel that the government is to be commended for its action in this matter.

Mr. Martin (Essex East): I think the hon. member who has just resumed his seat ought to be allowed to finish his speech, because I notice that the Postmaster General, who is an authority on agriculture, has just hurried across the chamber to tell the hon. member "Use this; this is what Paul Martin said". I am sure that what I said is deserving of repetition.

Mr. Winch: Now he has passed to the hon. member sitting behind. I presume that hon. member ought to be allowed to give the committee the information.

Mr. Hamilton (Notre Dame de Grace): I was merely drawing the hon. member's attention to a favourite action of the hon. member for Essex East, in which he says something one day and denies having said it the next. A moment ago the committee heard the hon. member for Essex East say that he had made no reference yesterday to deficiency payments. I find in *Hansard* for August 8 at page 7743 that he did make a specific reference to deficiency payments.

Mr. Martin (Essex East): Read it out.

Mr. Hamilton (Notre Dame de Grace): I will. The hon. member said:

The announcement of today had its genesis in that mass movement of western farmers who were met with the refusal by the government to accept their proposal for deficiency payments.

I am not concerned with the remarks themselves. I am referring to the hon. member's action in making reference to deficiency payments yesterday, while today, because it served his purpose, denying he had said anything about them.

Mr. Martin (Essex East): I think you will agree, Mr. Chairman, that it would be better for the Postmaster General to go back to his seat and look after his responsibilities as Postmaster General, because obviously he has not the slightest idea of what we are talking about.

Mr. Winch: However, it is good to see the Postmaster General back where he belongs—with the opposition and not with the government.

Mr. Martin (Essex East): May I suggest, in the interest of finishing the business before us, that we sit through the lunch hour?

An hon. Member: One o'clock.

Mr. Martin (Essex East): Hon. gentlemen opposite are always asking for co-operation—

Mr. Pallett: The hon. member looks so tired that I think he should be given some time off.

Mr. Winch: One o'clock.

The Chairman: An hon. member has called it one o'clock; therefore I leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Jorgenson: Mr. Chairman, I rise at this time to support the measure announced by the Prime Minister yesterday providing assistance for western grain producers. In doing so there are several points I want to mention without trespassing on the ground that has already been covered, and I would also like to reply to some of the comments made from the opposition benches.

The hon. member for Essex East as usual entertained us yesterday when he replied to the announcement by flailing away in all

directions in the jungle of his thoughts. He then proceeded out into the cow pasture where, blissfully ignorant of where he was placing his feet, he proceeded to plod in all directions. He did indicate, however, that he knew something about cow pastures because he did not forget the bull.

I want to say that this measure providing assistance to western farmers is going to materially assist the transformation that today is taking place. The development of agriculture within the past ten years, the changing over from the old type of agriculture into the "agri-business" has required a tremendous amount of capitalization, and before this government came into office very little assistance in this direction had been received from the previous government.

The hon. member for Drummond-Arthabaska in many of the speeches he has made in this house, as well as again today, has referred to the Prime Minister's policies in the two election campaigns. I am glad he did that, because if he were to look at the program that was outlined by the Prime Minister in the 1956 and 1957 campaigns he would discover that the policies outlined at that time have, with the exception of a national rural development and soil conservation program, being largely implemented.

The hon. member for Essex East chided the Prime Minister for bringing in these measures, for talking about crop insurance and farm credit and things of that nature. I think it was necessary that this be done in order to indicate the place this particular program fills in the over-all agricultural policy of this country. I do not think it is possible for anyone to point to any particular measure and say that is the cure-all. We have never attempted to do that, but almost invariably when a measure of this nature is brought into this house the criticism which comes from the opposition benches tends to indicate that they believe, regardless of what measure is brought in, that that measure by itself could cure all the problems of agriculture. Each specific measure that is introduced, and there have been many since this government took power, is designed to take care of a particular situation, and when the entire program has been implemented then we will have that degree of parity that the Prime Minister has spoken of during two election campaigns and indeed on many occasions in the past.

I want to thank the hon. member for Drummond-Arthabaska for assisting us in our argument supporting this assistance to western grain farmers. One thing which I think we must all recognize is that the western grain producer occupies an unique position in the agricultural economy today, in that the greater percentage of his products find their way into the export market. This makes it extremely difficult to apply measures which we have applied to other products largely consumed in the domestic market. This makes it necessary to develop a policy that is unique in attempting to solve the problems of the western grain farmer.

The hon. member pointed out that during the 1959 crop year the income of the farmers in Canada had dropped by $27 million. He strengthened our argument for an acreage payment when he said this, although he neglected to point out that $20 million of that $27 million was in western Canada. In addition, when he referred to the drop in income in the first quarter of this year and the drop of $50 million, $47 million of that amount was again in western Canada. I might also add here that when he referred to that period he was referring in 1959 to the highest quarter in Canadian agricultural history.

Now, Mr. Chairman, there has been a tendency on the part of a good many people to attempt to relate the price stabilization legislation to a means whereby the problem of the cost-price squeeze—and this is the big problem in western Canada today—can be solved. I submit that this is manifestly wrong. Price stabilization was introduced for a specific purpose, to prevent the uncertainties as to income of the farmers of this country. At the time the bill was introduced the prairie producers of wheat, oats and barley were not included under the jurisdiction of the board, and there was a specific reason for that. Price stabilization by itself is designed to level off violent fluctuations in price and to ensure to the farmer that prices will not drop below certain specified levels. The farmers themselves have an opportunity of discussing price levels with the stabilization board.

To attempt to solve the problem of the cost-price squeeze by the use of the price stabilization board could lead us into serious difficulties. First of all, if it is applied to wheat, oats and barley, as I mentioned earlier a large percentage of these products goes into the export market and we would be using money to subsidize exports. As the Prime Minister pointed out yesterday, that would weaken our argument against those countries which are using that type of sales policy today.

In my opinion the problem of the cost-price squeeze can only be dealt with if you base your calculations on the fact that whatever product is produced must be sold. There are those who conveniently ignore this fact, but assuming that whatever is produced in this country must ultimately be sold, then the problem of the cost-price squeeze can only be met with measures designed to reduce the cost of production—and we have taken

many steps in that direction, and to increase our export markets—or, and I hesitate to suggest this last alternative because it is one that I know will be unacceptable to the farmers themselves, through the imposition of production controls. The United States attempted to use this type of rigid price support in order to assure to farmers their fair share of the national income. Subsequently they had to introduce acreage controls, and rather than getting out of their difficulties they increased them. The government are wise in that they have not followed this course in Canada.

Our product, wheat, finds a ready market in the countries of the world because of its superior quality. It is essential—and I think this is where the government does render a great service—to maintain the quality of our grain and make every possible effort to find more markets for it.

Some time ago the Prime Minister announced that our agricultural policy would follow two parallel but separate lines. There was the over-all policy which was designed to take care of the national situation, and then there were policies which would have to be implemented on a regional basis in order to take care of difficulties that arise within various regions of the country. Obviously a program designed to take care of a regional problem cannot possibly help people in another area; therefore our policy has been designed with that object in view, and we have constantly tried to make the policies complementary.

It is useless to have a program of price supports if crop insurance is not implemented along with it, because no amount of price support can be of any possible value to a farmer who has suffered a crop loss. This is true in this particular instance as well, because during the years when farmers were asking for price support and for some assistance in agriculture they did not have the benefit of crop insurance. I am glad to say that the province of Manitoba has taken the lead in this regard, and in my area a trial program has been put into effect. I might also add here that contrary to the predictions of the opposition, who maintained that farmers would not take out insurance policies, in my own municipality 75 per cent of the farmers have taken out crop insurance. This is an indication of how the farmers themselves support the policies of this government, and it must serve as a reminder to the opposition members that when they were on this side of the house and those policies were asked for they would have been wise to implement them at that time.

Many arguments have been presented with regard to the specific program now before us, and I do not intend to cover the ground again. There is one particular point in regard to the acreage payment that I wish to raise. I hold in my hand a card issued by the Canadian wheat board which represents the interim payment on the 1957 crop, which amounted at that time to 10 cents a bushel. This card was given to me by a farmer when he came to me and pressed for acreage payments. He said "I have no use for this. It will give you a clear indication, however, of how useless deficiency payments would have been to me". This card is from a farmer who farms a section of land near Arnaud, Manitoba. The total amount of his interim payment on a section of land at that time was $1.33. If he had received a deficiency payment of 30 cents a bushel he would have obtained $3.99. I submit, Mr. Chairman, that the $200 which each farmer will receive under this program is by far the better method of distributing this amount of money.

I have received many letters from reeves, councillors, farmers and businessmen in my own constituency, and of all the letters I received from individuals not one advocated a system of deficiency payments. I am not suggesting for a moment that the hon. member for Essex East is supporting a program of deficiency payments on western grain, because he studiously avoided making any mention of it yesterday. We shall be waiting with interest to hear what policy, as an alternative to the one the government has now proposed, he would implement.

In conclusion, Mr. Chairman, I wish to thank the government for providing this measure of assistance to the farmers in western Canada and in particular to the farmers in Provencher who, like many farmers across this country, at the present time are using the facilities of the Farm Credit Corporation, crop insurance, cash advances on farm-stored grain, and many of those other programs the government has implemented since it came into power in an attempt to establish more economical units and reduce the cost of production in an effort to meet the cost-price squeeze and to produce for the benefit of the people of this world. I support this measure, Mr. Chairman.

Mr. Martin (Essex East): Mr. Chairman, I understand that the government has arranged for a large number of its supporters to participate in this debate. That, of course, is a right which must not be denied to any party in this house or to any hon. member; but since this is the decision, hon. members will appreciate, of course, that we in the

Liberal party are also entitled to put forward some views, which will be done during the course of the day, as we are in committee, and as I say since the government has decided to put up such a large number of speakers.

I should like to put on the record now, so that we shall not forget the circumstances which have led to this particular declaration of policy, those events which over the course of a year and a half have agitated the farmers of western Canada in particular, and the members of this house, who have been anxious to ascertain the policy of the government, based on representations which were first made by some 1,000 farmers who descended on Ottawa on May 10, 1959. It is doubtful whether in Canadian political history any policy of a government had its genesis in an event so long removed from the particular situation at the moment as the circumstances which surround this particular policy.

It will be recalled that 1,000 farmers came to Ottawa seeking to elicit from the government some declaration of policy based on promises which the government had made in 1957 and 1958. In 1958 the government announced the same policy we are now discussing. The farmers were going to receive something not consistent with the declaration of "parity, not charity". They were not going to be given deficiency payments as they had been led to believe from speeches made by members of the government and by supporters of the government. Instead, they were to be—

Mr. Harkness: I wonder whether the hon. member would permit a question. What members of the government ever made speeches along that line?

Mr. Martin (Essex East): Every member of the government who spoke in the election campaign of 1957 and in the election campaign of 1958, including the Minister of Agriculture, gave to the farmers of Canada the impression that they were going to—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. gentlemen, of course, do not like us to take part in debate so they interrupt. They gave the impression that if they were given a chance to form a government they would embark on policies embracing deficiency payments; parity, not charity. They said they were going to give the farmers of western Canada and the farmers of Canada generally a new deal. That was undoubtedly the implication of assurances given by hon. members opposite.

Mr. Harkness: Absolutely incorrect. Neither I nor anybody else ever made any such statement about deficiency payments.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Mr. Chairman, if you want to detect whether or not a point you are making is effective, all you have to do is listen to the Minister of Agriculture who will continually interrupt, clearly indicating that he recognizes the merit of the proposition made and which offends him.

Mr. Harkness: I only interrupt when something absolutely incorrect is being said.

Mr. Martin (Essex East): In 1958 the government came forward with a proposal precisely like the present one. That was its answer to the farmers of western Canada, an answer that was inadequate from their point of view. Because the farmers recognized that the acreage assistance program of 1958 was not in fulfilment of assurances given during the election campaign they organized this mass meeting, which represented not only one farm organization but the other great national farm organizations. They came here and made their submissions in a manner that impressed everyone, because the Prime Minister observed how orderly and constructive they had been. I hold in my hand a booklet entitled "Souvenir, On to Ottawa", issued by the western farm delegation under date of March 10, 1959, a delegation that came to Ottawa in protest over the failure of the government to implement its election promises and to express dissatisfaction with the inadequacy of the government's program as represented by the acreage assistance program of 1958.

Mr. Brunsden: Will the hon. member permit a question? Does he recall the march to Ottawa in the thirties, when 2,500 western farmers came here to wait on a government of which the hon. member later became a minister? Does he remember the reception that was accorded to that delegation?

Mr. Martin (Essex East): All I can say is that any delegation of farmers that came to see a Liberal government did not have to wait for a year and a half before that Liberal government announced its policy.

Mr. Harkness: They had to wait 22 years and still did not get anything.

Mr. Martin (Essex East): This delegation came to Ottawa and presented its program to the government. It was a four-point program, and the Prime Minister and the Minister of Agriculture, in any comment they have made about the representations put forward on March 10, have only referred to one of those requests. It is well that we should put them on the record now, particularly when it would appear that we are going to have an all day debate and so many members from western Canada, as is their right, are going to speak. It is well that we should

have a clear statement of the problem before us. I refer now to page 31 of the booklet, which undoubtedly will some day receive an honoured place in the archives of Canada. The four point program they put forward was as follows:

> 1. The first of these is the two-price system for wheat. Under this proposal, wheat sold for human consumption on the domestic market will be priced in relation to the level of the domestic economy...
> 2. We would recommend also that consideration be given to an adjustment payment from the treasury to compensate for the exchange premium of Canadian currency over that of the United States...
> 3. Farm organizations consider that the cost of carrying grain in commercial storage facilities should be a public responsibility, and not a charge against the farm industry...
> 4. It has been noted previously that the Canadian farmer is under a severe handicap in the export marketing of wheat as a result of United States subsidized exports policy.

With respect to the last point they conclude with this statement:

> Wheat producers recognize the need for the establishment of this policy to hold export flour markets, but they feel it is the responsibility of the Canadian treasury and not of the wheat producer to meet the competition of the United States government.

Hon. gentlemen who have spoken thus far have not referred to any of these requests made by their constituents in western Canada. All they have sought to do today is to indicate that the policy announced by the Prime Minister yesterday is one that attends to the requests and the problems of western agriculture. What they will say to their constituents when they return is, of course, a matter for them to decide, but I suggest that in telling western farmers of this particular policy, now under discussion, they will not be meeting the requests of the farmers of western Canada as submitted to the government in this city on March 10, 1959.

The criticism that we level against the government is not only because of the inadequacy of this present program, but as well because of the way the government of Canada has treated the farmers of western Canada. For over a year and a half it has not been possible to elicit from the government any indication of its reaction to the representations made by the western farmers. The farmers themselves recognized this when shortly after that meeting with the government—I think it was in the month of June—they formed a liaison committee to come to Ottawa to discuss the matter with the government again to see whether a smaller group could prompt the administration into a declaration of policy.

We will remember, that all during the remaining part of the 1959 session, questions were put not by members of the Conservative party but by members of the Liberal party and of the group that sits immediately to Mr. Speaker's left. We wanted to know when the government was going to announce its policy or give its reaction to the representations made by the farmers, who came in such large numbers from western Canada. It was not possible to elicit any definite reply, although the Prime Minister did say three or four days before the end of the session of 1959 that the government was giving careful consideration to the matter. He created the impression that some announcement of policy would be made before prorogation. But there was no announcement of policy. So in 1959 there was a denial even of what was done in 1958. No deficiency payments; none of the four points that I have enumerated were recognized; not even this acreage assistance plan was put forward in 1959.

Parliament was reconvened in the month of January, 1960, and it is interesting to look over the record of the attempts that were made by members of the Liberal party to try to ascertain from the government, after eight months, what its policy was in regard to demands made by the western farmers. On the 1st February the hon. member for Moose Mountain, who I believe had to leave the house because of illness in his family, asked a question of the Prime Minister pointing out that a group of representatives of western agriculture met with the cabinet on the previous Saturday, and wanting to know from the government what its reactions were to their proposals. That delegation, headed by Mr. Wesson, asked for the very same things that had been asked in the brief presented on May 10. The Prime Minister's answer to the hon. member for Moose Mountain was that the delegation was advised that a final decision would be announced in parliament within a period of 30 days. The Prime Minister said:

> That announcement, of course, will cover not only the whole problem of deficiency payments but as well the several alternatives to which I have made reference.

Then on April 5, 1960 I asked the Prime Minister a question based on an interview given to the Regina *Leader-Post* on March 5 by the Minister of Northern Affairs and National Resources, in which the latter suggested that farm leaders should sit down with the government and discuss alternatives to deficiency payments, such as acreage payments. I asked specifically:

> Is it the intention of the government to provide acreage payments this year to farmers in western Canada?

That was on April 5. The Prime Minister's reply, in effect, was this. He referred first of

all—and I was grateful to him for this reference—to my wide experience in these matters and observed that I would realize that the only appropriate answer would be that this was a matter of government policy to be announced in due course.

Then on April 8 the hon. member for Assiniboia asked:

> Can the Prime Minister say why he has refused to see the western farm leaders, and whether an appointment has been made for some later date?

The Prime Minister replied in effect that the only denial of a meeting was that a meeting could not be arranged before the Easter recess. Yet since that time and in spite of this reply by the head of the government of Canada, no meeting was arranged with the western liaison committee.

Then on May 6, I asked the Minister of Agriculture if he was not going to give some reply to some of the questions put to him, particularly as to the government's intention respecting an alternative program such as acreage assistance. The Minister of Agriculture replied that the western farm organizations were asked—and listen to this—to put in writing any alternative to deficiency payments which they wished to discuss with the Prime Minister and the cabinet. Up to date, he said—

Mr. Harkness: So that we would have an opportunity of studying them.

Mr. Martin (Essex East): And up to date my hon. friend said they had not yet put in any alternative. My comment about that is this. When this government in 1957 and 1958 urged the western farmers to vote for them, they did not say, "We will embark on policies only providing you propose them and only providing, in that event, that we accept them". They said, "Here is what we are going to do; parity, not charity. Give us an opportunity and we will devise policies to assist western agriculture." Yet I asked the Minister of Agriculture on May 18, in effect, if something could be done, although the farmers had not written a letter, had not put in a proposal, and I made the observation, not too many days after that, this represented on the part of the government of Canada a complete abdication of its responsibility.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I made the observation that it was not the responsibility of farm organizations to create policy; it was the responsibility of the government of Canada.

Mr. Aiken: And they did.

Mr. Harkness: We did.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): Particularly having given assurances that they would formulate policies. My hon. friend now so weakly says, "We did". He did, in the dying days of this session, only after pressure was put on him day by day by Liberal members of this House of Commons.

Mr. Horner (Acadia): Tommyrot.

Mr. Martin (Essex East): On May 19 the hon. member for Assiniboia, whose help in these matters I must acknowledge, put a question to the Minister of Agriculture. He said that the Prime Minister was in error in refusing to readily grant to the farm delegation an interview so they could present these proposals to the government at that time. The Minister of Agriculture said they had not refused to meet the farm organizations; they had not yet sent down the alternative. If that does not represent an abdication of the responsibilities of government, I do not know what words constitute abdication. And to think that it was not possible all during this time for the government to meet with the western liaison committee. The government, of course, in not arranging for this meeting with the western liaison committee gave them and this house, and the people of Canada, the impression that it did not want to meet with the western farmers. But the Minister of Agriculture clearly stated, "They must write us a letter. They must make a proposal, and if they make a proposal we will see them".

Yet what have they done now? They have reversed that process. They themselves have come forward with a proposal and now, after the session is almost through, they are going to meet the farmers. Then on May 24 the member for Laurier put a question to the Minister of Agriculture:

> In view of the denials by some leaders of farm organizations, does the minister wish to modify his statement made in the house last week that the federal cabinet had not received any alternative proposals to deficiency payments from farm groups?

The Minister of Agriculture replied that the liaison committee as a whole did not put in any definite alternative as requested in the reply to them by the Prime Minister of Canada.

Then on June 9 the hon. member for Kenora-Rainy River addressed a question to the Prime Minister:

> In view of the advanced stage of the session, is he able to report any progress in working out some scheme to provide assistance to the western grain growers in accord with their request?

Little did he anticipate at that time the many weeks that were yet to pass, weeks of inactivity on the part of this government. Here is what the Prime Minister said:

—a request has come from the liaison committee of the western farm organizations for a meeting with members of the cabinet. Arrangements will be proceeded with at once for the convening of such a meeting at an appropriate time.

That was on June 9. The Prime Minister said that arrangements would be made at once. No arrangements were made; no conference was held with the western farmers. It was only because of the pressure in the last few days that we have had a reversal of the procedures outlined by the Minister of Agriculture and now, in the dying days of this session, we have this declaration of policy, the same as the policy embarked on in 1958.

Then on June 14 the hon. member for Assiniboia addressed a question to the Prime Minister:

Can the Prime Minister inform the house what progress has been made in arranging a meeting between the government and the liaison committee of western farm organizations to discuss western farm income deficiency?

The Prime Minister said:

I think the question would be more appropriately answered by the Minister of Agriculture.

The Minister of Agriculture said:

I have nothing definite I can tell the house at the present moment on that matter.

I do not know that the Prime Minister's suggestion that we could get a definite reply from the Minister of Agriculture proved to be very helpful, but the Prime Minister did succeed that day in having himself relieved of any responsibility for answering a question the reply to which would have been carefully scrutinized by the farmers of western Canada.

On June 24, 10 days later, the hon. member for Assiniboia again put a question to the Prime Minister:

Can the Prime Minister or the Minister of Agriculture inform the house whether the date has now been set for a meeting between the government and the liaison committee of the western farm organizations to discuss deficiency payments, or the government's alternative to that program?

The Minister of Agriculture replied:

The date has not yet been set.

That was the reply of the minister, even though we had been told by the Prime Minister on June 9, that arrangements were going to be proceeded with at once for the convening of such a meeting at an appropriate time. I asked the Minister of Agriculture a question on the same day, June 24:

Does the minister still take the view that before he will arrange to see this delegation the farmers of western Canada must place an alternative proposal in writing before the government?

This is the reply of the Minister of Agriculture:

Mr. Speaker, this has been one of the causes of delay. We asked the western farm organizations to make a definite proposal in writing, but instead they sent a brief which, as I indicated before, reiterated three of the proposals they had made when they attended here in numbers somewhat over a year ago. They also made some reference to acreage payments. Subsequent to that time we have had representations from some of the organizations who are members of the liaison committee indicating that they would like to discuss acreage payments.

Now the government is strengthening its policy of resistance. Up to now, it was only necessary for a proposal to be made in writing by the liaison committee. Now the Minister of Agriculture is suggesting that it should be made by the 10 western farm organizations, forgetting, of course, that in that very reply once again the hon. gentleman was abdicating a responsibility placed on his shoulders when this government was given a mandate on March 31 last.

Mr. Harkness: This action indicates there has been no abdication at any time.

Mr. Martin (Essex East): The minister keeps harping on that. If I were in his place I would not discredit myself in that way, because these interrogations and the responses clearly do not put the minister in the light in which I saw him characterized in a cartoon, as the strong, vigorous, dynamic man from Calgary.

On June 29 I asked leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the necessity of an early meeting between the government and the western farm liaison committee. Hon. members will recall that discussion. This had the advantage of again focusing the public mind on the refusal —the reluctance, at any rate—of this government even to sit down and discuss with the farmers of Canada, whose problems they were going to resolve, matters which were their minds.

On July 7 the hon. member for Assiniboia put a question to the Prime Minister in these words:

Can the Prime Minister say whether a firm announcement of government policy will be made before the conclusion of this session so that in the event of an affirmative decision parliament will be able to vote the required moneys for immediate payment to producers?

The Prime Minister replied:

—I think an announcement—can be expected before the end of the session.

That was the first bit of definiteness in the government's attitude that we were able to see from May 10, 1959. Then I asked the Minister of Agriculture:

Is the minister making arrangements for himself and his colleagues to meet with the liaison committee of western farmers before the end of this session?

The minister replied:

This matter certainly will be looked after in due course.

That conference still has not taken place. On July 8 the Leader of the Opposition addressed a question to the Prime Minister arising out of a statement made on June 29 by the president of the Saskatchewan farmers' union and the chairman of the liaison committee, who stated that the Prime Minister had said that arrangements would be proceeded with at once for convening a meeting with the western liaison committee. The Leader of the Opposition asked:

May I ask the right hon. gentleman how these arrangements are coming along?

The Prime Minister replied:

—I expect to be in a position early next week to give a full answer to that question.

That was on July 8. Only now, a month later, we were confronted with something definite in the government's policy. Since that time, three different series of questions have been put, one to the Prime Minister and two to the Minister of Agriculture. Last Thursday, I asked the Minister of Agriculture if he was in a position to comment on a story in the *Financial Post* of last week, to the effect that the government was going to bring forward a program of acreage assistance that would cost approximately $40 million, and that would provide assistance of $1 per acre up to a maximum per individual farmer of $200, and the minister said that an announcement of government policy would be made in due course.

Mr. Harkness: Surely the hon. member's memory fails him. That is not what I said. I said it was not and never had been customary in this house to comment on newspaper reports.

Mr. Martin (Essex East): My hon. friend corrects that, and I am sure the correction will greatly help the farmers of western Canada.

Mr. Harkness: I am just pointing out the hon. member's usual inaccuracy.

Mr. Martin (Essex East): My hon. friend may say I am inaccurate, but one thing I can say about the hon. gentleman is that he is not the kind of man, on the basis of his record over the last year and a half, who displays any regard for an undertaking solemnly accepted by this government. A whole year and a half went by during which parliament and the farmers of western Canada were ignored and treated contemptuously. Parliament was held in contempt in a manner that does not warrant any reference other than to say that this government, until pressed into a policy during the course of the last few days, had abdicated its responsibility toward the farmers of this country and in this instance particularly the farmers of western Canada.

Hon. gentlemen soon will be returning to their homes. We all know what has happened here in the last few days. Conservative members from western Canada have been complaining to the minister, pointing out that after what had been put forward by hon. members of the Liberal party particularly—

Some hon. Members: Oh, oh.

Mr. Horner (Jasper-Edson): That is the biggest laugh yet.

Mr. Martin (Essex East): —and by hon. members in the group to my right, they would be greatly embarrassed in going back to western Canada, unless the government took some definite step one way or another toward meeting the problems that had been projected by the farmers who came here on May 10, 1959. One has only to pick up our newspapers, to note observations made by farm leaders and farmers in Manitoba, Alberta and Saskatchewan, complaining about the way this government has treated the representatives of farm organizations.

Mr. Speakman: Would the hon. member be a little more accurate in his references to newspaper articles.

Mr. Martin (Essex East): Does my hon. friend want me to refer to them? I have here the Regina *Leader-Post* of July 14 and the Winnipeg *Free Press* of June 30.

Mr. Fulton: Oh, yes.

Mr. Martin (Essex East): I have the Saskatoon *Star-Phoenix* of July 20.

Mr. Fulton: Oh, yes.

Mr. Harkness: All the Liberal press.

Mr. Martin (Essex East): I have the Edmonton *Journal*—

Mr. Fulton: What does it say?

Mr. Harkness: What does the Edmonton *Journal* say?

Mr. Martin (Essex East): My hon. friend the Minister of Justice now comes into the house—

Mr. Fulton: Oh, I have been here for some time listening to the hon. member.

Mr. Martin (Essex East): —and displays an interest in this question. I will be glad to read what the Edmonton *Journal* of July 8, says in an article entitled "Cites Farm Unrest Despite Crop Outlook". It reads:

Alberta farmers have prospects of one of the best grain crops in years, but there is little jubilation among them, Ed Nelson, president of the farmers' union of Alberta said Thursday.

"Usually, farmers when they have a nice crop coming on, are jubilant. I didn't see any of this. There is a sense of insecurity and it is an unusual thing."

Mr. Nelson said rejection of the farmers' plan for deficiency payments was the first letdown. Payments would have helped them over the present "adjustment period" when grain is in limited demand.

I thank the Minister of Justice for placing this editorial—

Mr. Fulton: That is Ed Nelson, not the Edmonton *Journal.*

Mr. Martin (Essex East): It continues:

Now the federal cabinet is acting like "petulant children" in delaying a meeting with representatives of the farm groups' liaison committee to discuss acreage payments as an alternative to deficiency payments, he said.

He said he had written a personal letter—

The Deputy Chairman: I am sorry, but I have to advise the hon. member that his time has expired.

Mr. Speakman: Before the hon. member resumes his seat I hope that in the interests of accuracy—and I am sure the hon. member wishes to be accurate—he would like to change his statement that this was an editorial, or that this was newspaper comment, because what he just quoted represented the comments of an individual.

Mr. Martin (Essex East): I thank the hon. gentleman for his statement, and I will now refer to an article which appeared in the Winnipeg *Free Press,* as follows:

The Liberal opposition at Ottawa lost out on Wednesday in its demand to have the question of a meeting between the government and western farm representatives debated in parliament as a matter of urgency. Perhaps the question is not a particularly urgent one for debate. But to prairie farmers it is urgent, none the less; and the federal government's continued and deliberate evasion of the meeting is impossible to justify.

The Deputy Chairman: I remind the hon. member again that his time has expired.

Mr. Martin (Essex East): I was answering a question, Mr. Chairman. I would want you to know that I was simply seeking to satisfy the hon. member for Wetaskiwin, who wanted an editorial opinion, and I am sure that if I had gone on even you would have found it increasingly interesting.

Mr. Brunsden: My major object in participating in this debate is to assure all corners of this house—although I know one corner is not very well occupied—that this measure which the government is now putting forward arises from the thinking of western members of parliament representing agrarian areas.

The hon. gentleman who has just resumed his seat used one word very prolifically. That word was "liaison". I began to count the number of times the hon. member used it but I lost count. He used it several dozen times and I would like to say to him through you, Mr. Chairman, that there is a form of liaison with respect to western agriculture of which he is probably unaware, and that is the liaison that exists between a western Conservative member and the farmers he represents. That, to me, is the highest quality of liaison because it dismisses the political football; you get away from the record and you are not speaking for the record, but sounding the minds of the individual farmers. Those of us who have been here since the beginning of this parliament have had the opportunity—it is lessened this year—of returning home and talking to our own people, and as we talk to our own people we find that their thinking is reflected in our actions, or perhaps I should put that in reverse, and say that our actions are reflections of their thinking.

This question of a solution to the western wheat problem is not an easy one. This government did not create the problem, and in all fairness let me say the preceding government did not create it. Our problem in the three prairie provinces is one that arises from world conditions. We faced a situation during two world wars when every possible acre in western Canada was seeded to wheat at the behest of the government of the day, and properly so, because after all wheat did play an important part in winning two world wars. Nevertheless, after the last war ended we found ourselves in the very difficult position of having an expanded acreage capable of tremendous production still producing in the face of entirely new conditions throughout the world.

Someone said here the other day that last year the Russians exported into markets formerly shared by Canada some 40 million bushels of wheat. There is our problem. The hon. member for Drummond-Arthabaska today cited certain countries which have developed their wheat production to a greater extent each year. There again is part of our problem. Today we are in a state of flux with respect to wheat and perhaps with respect to agriculture generally. We are still suffering from the economic aftermath of wartime production.

Let me say to you, sir, that the position of a prairie member of parliament with regard to this problem, as with regard to other problems, is not an easy one. Our colleague from Vancouver East, who may have taken the train for the west early this afternoon, said yesterday, that he found himself in the position of speaking not necessarily as the hon. member for Vancouver East but as a member for all Canada. Those of us

who are discussing wheat here today are in a very similar position; we must think in terms of the Canadian economy and we do so. Though we have all the sympathy in the world for our own people, we come to the realization that perhaps the easy solution, the solution which the hon. member for Essex East has stressed this afternoon, is not possible. We are accused sometimes, as western members of parliament, of lacking sympathy for the western farmer. Nothing could be further from the truth. Our thoughts and our words are continuously directed toward the problems of our own people, and I should like to put on the record—that is a favourite term in this house—the statement that, since the days of the Ginger group headed by my highly respected friend Bob Gardiner, this House of Commons with respect to western problems, has never had a more devoted body of servants than the members of the Conservative party sitting in this chamber today.

Yesterday the Prime Minister in his introductory remarks with respect to this estimate said there was a need to recognize our Canadian regional problems. We do recognize them, and they are many. The coal miner in Nova Scotia has a problem; the hard rock miner in Ontario has a problem; the fisherman in Newfoundland has a problem, and so has the lumberman in British Columbia. Today we are discussing a regional problem in connection with wheat. So far the debate seems to have evolved around the question of deficiency payments versus wheat acreage payments.

Let me say that all of us from western Canada would appreciate the injection into the western economy of $320 million in the form of deficiency payments if this were possible. Unfortunately the Canadian economy does not permit this. Some of us have been here only a very short time, but we have learned some lessons, and one of the lessons I have learned is that there is nothing easier in the House of Commons than to spend the national revenue if you have no responsibility for the spending.

I should like to see deficiency payments paid, but I am firmly convinced it is not in the best interest of all Canadians to pay them on the basis of the representations made by the western committee, however much that committee may be supported by the hon. member for Essex East.

It is idle to say that the march to Ottawa in May of 1959 had no effect. It had a great effect. It had an effect on the thinking of all of us here. I would say as an observer that the birth of the wheat acreage payment policy, which I uphold, was in part consequent upon the representations made by the western farmers.

We heard yesterday and to some extent today the trade mark "hand-outs". The deficiency payment on the scale advocated would have been a hand-out. This wheat acreage payment in my opinion is not in the same category. We have heard a great deal about the fair share of the national income, and this government has been criticized for its failure to give to the farmers their fair share which, it was claimed, was promised. Let me say to the hon. member for Essex East, with regard to his very pointed barbs concerning the last election, that so far as I am concerned representing a rural riding I made no promises of a fair share of the national income. I made no promises concerning deficiency payments, and I am prepared to go back to my constituents and stand on the record I stood on in 1958, which was that I would represent them, having some knowledge of their problems, to the best of my ability.

I have the feeling that most of us here from the prairies were elected on the same basis. When you pour into the western economy the sum of $80 million, $40 million under the preceding policy and $40 million under this, you are going a long way toward closing the gap between cost and selling price. I would say that this government is to be applauded for the policy it has adopted and for the extent to which this expenditure has been extended.

The hon. member for Essex East—I of course bow to his tremendous fund of knowledge with respect to agriculture; I think it is akin to my knowledge of the automotive industry—took advantage of the opportunity today to criticize the government for the lateness of this approach to this problem. Those of us who reside in western Canada know that some time around April or May you seed the crop and some time around September or October, if you are fortunate, you reap a harvest. The crop at this season of the year is fairly well indicated.

There are tremendous areas in the prairie provinces which have been ravaged by drought. There are others which have been hit by hail. Mr. Chairman, I say that the appropriate time for the announcement of this policy was not last month or the month before, or next month or the month after, but now. Now is the time the western farmer would like to know what measure of support he is going to get from his government, and I am very grateful to the Prime Minister for making it possible for him to know that now.

I regret the absence today of the hon. member for Assiniboia. In previous debates he has characterized this policy as peanuts. I would be very interested in hearing his comments with respect to this measure, but of course he is advancing his own personal political fortunes elsewhere. Let me relate this policy to my own particular area. I am not now referring to my constituency of Medicine Hat but to my home territory in the eastern irrigation district. We have some 1,400 farmers. They are all farmers with 200 acres or a little better. This policy means pouring into my home locality upwards of a quarter of a million dollars.

Mr. Chairman, that is not peanuts. That is not peanuts for the reason that at the time we did this in 1958 I had merchant after merchant, tradesman after tradesman and municipal authorities tell me how much the entire community had benefited because the farmer had some money to spend. The sum of half a million dollars among 1,400 farmers pays a lot of taxes and a lot of store bills, and I am sure this measure, in my area at least—and I am sure this is the general situation—will be greatly appreciated.

We have heard a lot from the Liberal opposition concerning the meagreness of the policy and the delay of the policy. I ask myself sometimes what was the comparable situation when they were in power. I cannot recall any direct assistance to the western farmers by the former government. I can recall a very famous statement made by the prime minister of that government at one time, when he said there was not one five-cent piece for certain sections of the farmers of western Canada, and they did not get that five-cent piece.

We have a situation today where more money has been devoted to agriculture in Canada than ever before in our history. We have a situation today where the position of the western farmers is closely studied day by day by men who live in that area and who know something of it. So I say in conclusion, Mr. Chairman, that the Prime Minister, the Minister of Agriculture, and the members of the treasury benches certainly have my wholehearted support and applause with respect to this policy.

Mr. Rapp: Mr. Chairman, I welcome this opportunity to rise and speak on behalf of the farmers I represent, and to express my gratitude to the Prime Minister for introducing this measure which will provide $42 million in acreage payments. The opposition has tried very hard to minimize and belittle this sum of money, but I can say to you, Mr. Chairman, that to my constituency and to the locality where I live this will mean that approximately $40,000 to $50,000 will be paid to the farmers. In my locality $40,000 or $50,000 means very much to many farmers, and more farmers will be able to pay their taxes and put money into the economy of this district.

The hon. member for Essex East has tried to belittle this payment and say that our government has failed to consult with the liaison committee. May I draw his attention to another time in 1946, when the government of that day failed to consult the farm organizations when they made the deal with Britain whereby western Canada—and I stress western Canada—lost $500 million. At that time the wheat pools and the federation of agriculture insisted that they be heard on the matter, but as the records of 1946 indicate the then minister of trade and commerce stated that the pools were not consulted as to the price and the quantity of wheat which was sold to Britain at 50 cents cheaper than the world market price at that time.

I know the farmers did not say very much at that time because they knew they had to help Britain after the war, but the government in charge should have taken upon themselves the responsibility of making these payments on behalf of Canada, not on behalf of the western farmers. It was at that time that the farmers should have marched to Ottawa and demanded the payment of that $500 million.

The hon. member for Essex East said that the acreage payment was a direct relief measure. It is far from a relief measure. As the Prime Minister said when he introduced this measure, it is to be the payment to western grain producers of an amount on wheat used for human consumption in Canada distributed on the basis of $1 per acre to the amount of $42 million. In other words it is the inauguration of the two-price system that we have advocated over the years. Every western member in the house has advocated the two-price system. In my first speech I said that the two-price system is the only remedy that is satisfactory to the western farmers. We know that because of world conditions and trade conditions that exist at the present time we cannot tell our customers overseas what they will pay for our wheat, but we should have the privilege of establishing the selling price of wheat used domestically. Therefore in this regard I would say that this is not a relief measure, it is not a handout, it is a just payment to the western wheat producers.

Just two or three days ago the hon. member for Essex East said that he would support me in every measure I put forward having to do with another grain. I should like to ask him to support me in this measure also.

Mr. Martin (Essex East): I think I would support the hon. gentleman in almost anything, because he is the kind of man who sometimes deserves support.

Mr. Rapp: I know he is going to refer to a speech I made when I talked about rapeseed. I do not think the hon. member knew anything about rapeseed until I came here. From the remarks he made I would judge that he thought I was talking about an item that should come under the Criminal Code. However, I would like to thank the hon. member for his support.

I welcome this opportunity to speak on behalf of my farmers and in support of the measure that has been introduced by the Prime Minister to alleviate some of the hardship the farmer is going through. This would have been a very good measure four or five years ago before we even had the cash advances because, as I said before, $200 would have helped to pay for the gas, the oil and sometimes even the taxes. Now that we have another measure, namely cash advances, we are able to get some money on the grain that we are unable to deliver to the elevator.

In conclusion I would express the hope that as time goes on this payment of $42 million on an acreage basis will be something that we shall see year after year.

Mr. Simpson: Mr. Chairman, with reference to this very welcome announcement by the Prime Minister in regard to acreage payments I should like to say it is my belief that a payment of this nature is not only quite justified at this time but will be greatly appreciated. I say this because I am very well aware of the fact that the farmers appreciated the measure in 1958, and I am quite sure they will feel the same way about it this time.

I am well aware of the difficulties facing the people of the agricultural areas of western Canada, and of the fact that the problems which are facing them certainly are not of recent origin. Those problems have prevailed for a number of years, and it is my belief that it is only in the past three years that constructive efforts have been made to arrive at satisfactory solutions.

It is my opinion, as I said before, that the payments which were made in 1958 on an acreage basis were generally very well received in the area which I represent, namely the area of Swan River in Manitoba, which contains around 2,500 farmers. I think myself that the opposition parties must be of the same belief, because we have had a tremendous amount of criticism in the house over the fact that the payments were not made last year. Worthy assistance of this nature, I believe, is in the category of an extensive regional interest. Therefore it is somewhat improper, probably, for a representative to look on it merely in the light of how it might affect his particular area. I think representatives, therefore, must evaluate this measure in relation to the extent of the aid which will result in the agricultural areas all across western Canada. The sum of $42 million being put into the economy of western Canada, particularly at this time, will be of tremendous assistance. The results of this $42 million, as other members have said, will be apparent not only in the west but will fan out into all parts of Canada.

During the past year I had the opportunity to speak to a number of people from many parts of the west, and I must say that I found them particularly pleased with the acreage payments of 1958. Many problems have confronted the western grain growers over the past number of years, and one of the solutions to the cost-price squeeze which they are faced with is a greater return to the farmer for his produce, as well, of course, as concentrated efforts to increase our export trade. The measure we are discussing today is very closely associated with higher returns to the grain growers for the grain which they produce.

As far as the Department of Trade and Commerce is concerned, it is quite evident to me that the record of the past three years greatly overshadows the export figures of the three previous years as far as the export of wheat is concerned. I am convinced that the Department of Trade and Commerce is not only vitally interested in the job of increasing Canada's wheat sales, but is also doing something about it.

The hon. member for Essex East spent the better part of half an hour presenting one complaint and one complaint only. He complained about the delay in bringing this measure forward. There again I would say that he must be in favour of it when he criticizes the government for delaying its introduction. I did not hear him give his opinions in this regard.

Mr. Martin (Essex East): I am not through yet.

Mr. Simpson: I take it that he, along with other hon. members, is in favour of this measure. Whatever this government has done in the past for western agriculture has been met with howls of criticism from the opposition that it was inadequate and not enough. I should like briefly to mention one or two of the things this government has done since taking office in Ottawa. I should like to mention some of the legislation that has been

passed in support of agriculture. The list includes the Agricultural Stabilization Act, cash advances on grain, the Farm Credit Act, the Crop Insurance Act, amendments to the Prairie Farm Assistance Act, increased payments under the Animal Contagious Diseases Act, amendments to the Farm Improvement Loans Act, the implementation of some of the recommendations made by the commission which inquired into the distribution of railway box cars, sharing in the cost of freight for the movement of fodder and livestock, acreage payments in 1958 and again this year, and contributions to the provinces for unharvested grain in the crop year of 1959-60. Expenditures under the Prairie Farm Rehabilitation Act have also been increased under this administration.

I should like to put a few figures on the record in relation to the measures I have just mentioned. I do not want to clutter up the record with a lot of figures, so I will simply give the total expenditure by the previous government with respect to agriculture in the years 1954 to 1956 inclusive. Money provided by the previous government to support agriculture during that period totalled $272,200,350. Money provided by the present administration during the past three years in support of agriculture totals $556,909,734. If we take a close look at these figures we will see the amount for the last three years is more than double that spent by the previous government in the preceding three years.

To come back to the subject now before the house, acreage payments, it is my firm belief that this measure can in no way be construed as a hand-out. I am certain that the farmers will not look upon it as such, and will make very good use of this most necessary assistance.

Mr. Martin (Essex East): Mr. Chairman, the hon. member for Wetaskiwin asked me to refer to editorial opinion, and I had been reading an editorial from the Winnipeg *Free Press* of June 30 when the chairman properly reminded me that my time had expired. I now wish to continue so the record will be complete and the hon. gentleman's question will have been fully met. The editorial continues:

> It is equally impossible to justify the silly excuse that the government offers for failing to meet the western farm committee. Having refused to grant the committee's demands for deficiency payments, the government asked the western farm organizations to submit alternative ways in which they believed the government could effectively help farmers. The farm groups replied by forwarding four alternative proposals to deficiency payments; three of these had been contained in the original submission to Ottawa but had not been commented upon by the government. The fourth was the suggestion that acreage payments, similar to those made by Ottawa in 1958 up to a maximum of $200 per farmer, be made. In making the latter proposal, the brief noted that the idea of acreage payments was the government's own and that the farm committee would be willing to discuss them as an alternative.
>
> Apparently in Mr. Diefenbaker's eyes the fact that acreage payments originally were suggested by the government disqualifies them as an alternative proposal to deficiency payments. Nothing at all has been said about the three other proposals. Instead, Mr. Diefenbaker has stoutly maintained, as he did on Wednesday, that the farm committee has failed to submit alternative proposals, and as soon as this is done the government will meet the committee "without a moment's delay".

This is the final paragraph, Mr. Chairman:

> This doubletalk and shilly-shallying is netting the Conservative government no good will on the prairies.

Mr. Diefenbaker: Is that the *Free Press*?

Mr. Martin (Essex East): Yes.

Mr. Diefenbaker: That is a purely objective statement, of course.

Mr. Martin (Essex East): I thought the Prime Minister would be interested in it, since the hon. member who asked the question has left the chamber.

> Perhaps after the Conservative debacle in Saskatchewan on June 8 he has already written off western Canada and does not care how much he antagonizes prairie farmers. What they should do now is redraft their alternative proposals in clear and unmistakable language—and wait to see what Mr. Diefenbaker does then.

I gather from the Prime Minister's reaction that he saw this editorial, when it came out, and so was familiar with it, but I was putting it on the record not in answer to a question by him but in answer to a question by the hon. member for Wetaskiwin.

Several hon. members have spoken, Mr. Chairman, and have commented in their good-natured way on my interest in these problems. I frankly say that I naturally do not have the knowledge that hon. gentlemen opposite have, because this is something that vitally concerns them. However, as a member of the house, I will say that I believe it is the duty of every member to be concerned not only about problems that affect his own constituency and his own area but problems that affect Canadians generally. I should have thought it was in that spirit that hon. gentlemen would have welcomed me as one of the participants in a discussion which they regard as so important.

I must exclude from this implied criticism the hon. member for Humboldt-Melfort, who has recognized my participation in a manner that causes me to be very grateful to him, in return for which I give my assurance that I will continue to join with him in representations to the Minister of Agriculture hoping that as a result we may get the minister to

appreciate the problem of rapeseed more pointedly than he apparently has.

It is not a question, Mr. Chairman, whether or not we are in favour of the particular proposal now before us. The complaint I have registered thus far is over the government's handling of this problem, since it was first presented by the farmers on the 10th March, 1959. I have made my points in that connection. I have indicated how, following persistent inquiries of the ministry, we were not able until very recently to get any definite statement of policy. We now have had a reversal of procedure. The government has no longer insisted on the western farmers submitting written proposals before the government would take action. That was the position taken by the Minister of Agriculture. He said that only when the farmers had proposed something in writing would it be possible for the government to formulate a policy.

Mr. Harkness: I never took any such position. There is no use in making such a statement.

Mr. Martin (Essex East): Well, I have repeated the minister's own words from *Hansard.*

Mr. Harkness: You have put an interpretation on them that is not justified.

Mr. Martin (Essex East): We will come back to that in the next speech I make in the committee stage, but now I propose to deal with something else. However, we will be able to establish once again precisely what the minister said. The Prime Minister has clearly indicated that the government has not announced a policy as the result of written submissions by the farmers of Canada. Rather, he has said that this policy has been arrived at by the government itself, and that now that the policy has been decided upon what the farmers of Canada have been denied up to now will be accorded them after the session, when the government will meet representatives of the western farmers.

What we are saying about this program is that it falls short of what the government said it would do for the farmers of western Canada. I may say that in agreeing to and supporting assistance for the farmers of western Canada, those of us who come from eastern Canada are not thereby suggesting that the farmers of eastern Canada do not have problems. We have brought this to the attention of the house and to the attention of the Minister of Agriculture from time to time. These problems await attention. I suspect that I can count on the support of western members with regard to problems in my own area, for instance, and in so far as these affect agriculture in eastern Canada, just as they have been able to count on us in helping them to finally extricate from the government a policy that will be of some assistance—

Mr. Diefenbaker: Extricate from the government?

Mr. Martin (Essex East): Yes, extricate; to pull out, to prod, to urge. The government has required that kind of prodding. It is like pulling a tooth that is carefully embedded in the jawbone.

Mr. Harkness: That is extract, not extricate.

Mr. Martin (Essex East): Extricate is the word I used.

Mr. Jones: Extricate is the word you use for trying to get out of your own difficulty.

Mr. Martin (Essex East): The hon. member for Saskatoon would perhaps warrant and justify his presence here if, instead of an interjection like that, he were to join with me in urging the government to implement the promises it made to the farmers of western Canada.

I say that this program is inadequate. A dollar an acre means very little in relation to the farmer's budget and to the costs that he has to pay. Yesterday the Prime Minister acknowledged in a statement that there was a rise in production costs. The minister may say all that he wants to say about the comparative position of the net income of farmers over the years; but he neglects continually to point out, as the Prime Minister frankly acknowledged yesterday, that farm costs have gone up. The minister, I think, still persists in the dream he had last year, that he had resolved, as a result of his policies, the problems involved in the cost-price squeeze in which the farmer finds himself.

I say that this policy of one dollar per acre for one year is inadequate to meet the problems facing certain groups of farmers in western Canada. I propose to show that, on the basis of the table which the Minister of Agriculture laid before us this morning. As a matter of fact, the dollar an acre related to the average yield is, I am sure the Minister of Agriculture will admit, a relatively small sum of money. If it is related to the crop yield per acre it would be about five cents a bushel. If it is related to the fact that it is paid on all the acres that are cultivated it could mean between 10 and 15 cents per bushel. That is what it means.

It is a temporary measure. We do not know that it is going to be embarked on next year. It was dropped in 1959. It was put forward in 1958. We do not know from the

government whether or not there is any permanency in this program. We do not know that the farmers came to Ottawa in May of 1959 in protest—

Mr. Speakman: March of 1959.

Mr. Martin (Essex East): —against this very program. What did I say?

Mr. Speakman: "May".

Mr. Martin (Essex East): I thank my hon. friend for correcting me on this inconsequential. It is doubtful if this will help the small farmer. Anyone who has a medium sized farm or a big farm will get the maximum payment, but the small farmer will get less than $200, as this table shows that I propose to analyse. No wonder, then, that the president of the Manitoba farmers union said in 1959 that this was an inadequate measure.

The minister tabled this morning a document, or two pages entitled, "Specified acreage groups as shown in wheat board delivery permits", and he was kind enough to send a copy over for our scrutiny. In this table these are six columns. The first column indicates the specified acreage groupings; the second, the number of permits; the third, the average acreage per permit; and the last three columns the average acreage of cereal crops, wheat, oats and barley.

The minister pointed out that the number of permits in the specified acreage groupings from zero to 299 acres represented roughly, I think he said, half—

Mr. Harkness: No; 125,000 out of 225,000.

Mr. Martin (Essex East): One hundred and twenty five thousand out of 225,000. In the case of those with from zero to 99 acres there were 20,323 permits. In the case of those of 100 to 199 acres, 55,745 permits. In the specified acreage grouping 200 to 299 acres, 48,598. Then in addition to that, those in the 300 to 399 acres total 32,988. Those with 400 to 499 acres, 23,820. Those with 500 to 599 acres, some 13,495. So there is no doubt that those people in the acreage from zero to 599 do represent the substantial portion of the number of permits. It is interesting to note that when you get to those with 1,000 to 1,999 acres the number of permits are 6,053. Then when you get over 1,999, the number of permits drops.

The last figure that the minister gives is for those with a specified acreage grouping of 8,000 to 8,999 acres, where the number of permits is six. This makes a total of 224,717 permits. But the interesting fact is in the last three columns, and those are figures that the minister did not comment on at all. They tell the story of inadequacy. They point out the inadequacy, the insufficiency and inequity of this whole program.

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There is no doubt that those with a large acreage will benefit, because their average acreage wheat crop will take them over the 200-acre mark. There is no doubt that they will get the $200. But it is significant that the number of permit holders in the specified acreage groupings from zero to 599 acres—the six groups mentioned in the first column —will not get as much as $200. This is worth analysing.

Let us first of all look at the zero to 99 acres category. The average acreage permit is 66; the average acreage of cereal crops is, for wheat, 15. That means those gentlemen, whoever are in that class, will get $15.

Mr. Harkness: Mr. Chairman, if the hon. member will permit me, I think I had perhaps better set him straight, because evidently he has not understood this program in spite of the fact that we have been talking about it all day so far.

Mr. Martin (Essex East): Do not make a speech.

Mr. Harkness: And he did not understand—

Mr. Martin (Essex East): Mr. Chairman, if the hon. gentleman wants to ask a question, let him do so. I do not want him to make a speech in my speech.

Mr. Harkness: I want to prevent you making a terrible mistake.

Mr. Martin (Essex East): Well, ask me a question.

Mr. Harkness: It is not a matter of asking a question. The payment is made for every cultivated acre.

The Deputy Chairman: Order.

Mr. Martin (Essex East): That will be for every cultivated acre. That makes it even worse. Look at the number in oats. Does the minister mean a farmer will get assistance for wheat, oats and barley and not just for wheat?

Mr. Harkness: For summer fallow, too.

Mr. Martin (Essex East): In the case of oats, a farmer with 0.99 acres, 15 wheat, 14 oats, 11 barley—

Mr. Harkness: The hon. member just does not understand.

Mr. Martin (Essex East): The minister says I do not understand. I understand it only too well, and I have caught the minister out on his own table. It is because of that the minister understandably is embarrassed in the presence of three of his colleagues and particularly the Prime Minister.

Then, we take the second one, 100 to 199 acres, 37 wheat, 24 oats and 23 barley, and so on down the line. It is clear that a large

percentage of farmers will not get the maximum amount. That is something the minister did not mention this morning, something I think shows that this program is designed to assist not only those who need it, and those in a limited way, but those who do not need it and who are nevertheless going to get the maximum amount. That is undeniable in any examination of these figures. I ask the minister when I have finished to say that that is wrong.

Mr. Churchill: Ask him a question now.

Mr. Martin (Essex East): I will let my hon. friend ask me a question now but I do not want him to make a speech. That is a habit of the Minister of Trade and Commerce and I do not want the Minister of Agriculture to get into that habit. I hope he will examine this problem.

Mr. Hamilton (Qu'Appelle): May I ask the hon. gentleman a question?

Mr. Martin (Essex East): I will be glad to accept a question from the hon. member.

Mr. Hamilton (Qu'Appelle): Has my hon. friend ever carefully examined a farmer's permit book?

Mr. Martin (Essex East): A farmer's what?

An hon. Member: He does not know what one is.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I have not examined a western farmer's permit book.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I do not know what is so special about that. I have indicated that I cannot pit my knowledge against that of the Minister of Northern Affairs and National Resources. He is one of those men who has not only a specialized knowledge of the problems of his particular area but he knows the world including the Arctic. I am just one of those ordinary men—

Mr. Bell (Saint John-Albert): Very ordinary.

Mr. Martin (Essex East): —who has a limited knowledge but a great zeal to try and understand the problems of all my fellow Canadians.

Mr. Hamilton (Qu'Appelle): Would the hon. member permit another question?

Mr. Martin (Essex East): I would inform the Minister of Northern Affairs and National Resources, if he would take his seat and be patient, that one reason why the farmers of western Canada are so exercised over the conduct of this government is because of the series of speeches made by the hon. gentleman during Easter week when he led them to believe two things: first, that there would be a meeting with the western liaison committee and the government almost forthwith—as soon as he returned to Ottawa he would arrange that—and, second, that there would be some policy, likely one of acreage assistance, rapidly brought into being. That was in April or whenever Easter was this year.

Mr. Hamilton (Qu'Appelle): Would the hon. member answer this question?

Mr. Martin (Essex East): Would the minister mind just allowing me to finish this observation which is in the nature of a castigation of the hon. gentleman?

Mr. Hamilton (Qu'Appelle): Has the hon. member ever seen an eastern farmer's permit book?

Mr. Martin (Essex East): If my hon. friend had my knowledge of eastern agriculture he would not ask a question like that.

Mr. Diefenbaker: He certainly would not.

Mr. Martin (Essex East): Surely I have satisfied my hon. friend on that point. May I say this. The hon. member for Provencher mentioned this and he is the only one other than the Prime Minister who did. The hon. member for Provencher referred to the progress that was being made in the matter of crop insurance in the province of Manitoba. The Prime Minister yesterday, realizing the inadequacy of this program, realizing that it was a bagatelle, realizing that the government had been forced into a situation, I am sure much to the horror of the Minister of Finance, in which it had to put forward its best step—and in order to do that it could not have got out to western Canada at this time the suggestion that its policy in answer to the western farmers who came here 1,000 strong was merely this acreage assistance plan—the Prime Minister mentioned a number of things that the government had done and a number of things it was going to do. One of the things it had done was to introduce crop insurance.

I say that the inclusion of that, in the Prime Minister's statement yesterday and its endorsation by the hon. member for Provencher, shows the weakness of the government's policy because as we pointed out to the government last year, the extent of federal contributions in that federal crop insurance plan was of such a level as not to warrant one province agreeing to participate in the scheme, yet the Prime Minister referred to it yesterday as part of a grand program of attack by this government to try to improve conditions confronting the western farmer.

If it was proper to mention that and other things in the Prime Minister's statement and

if there was justification for the hon. member for Provencher referring to crop insurance today, there is an obligation on the part of this government to explain why, after a year, not one province has wholly gone into the scheme. When the crop insurance plan was announced by the Minister of Agriculture it was announced with all the fanfare that attends great and small declarations of policy by this government.

It was indicated at that time that the crop insurance scheme would not encourage provincial participation because of the limited character of the federal contribution and the widespread opportunity given to provincial governments to impose on individual farmers a greater share than they can economically bear in support of the crop insurance scheme. Let the government tell the committee now what progress it has made with British Columbia, with Alberta, with Saskatchewan, with Ontario, with Quebec—

Mr. Valade: Ask Mr. Lesage.

Mr. Martin (Essex East): There may be some hope now with a new government there. Let the government tell the committee now what progress it has made with New Brunswick, with Nova Scotia, with Prince Edward Island. The minister has said not a word about this all session. In fact this government has not brought forward any new policy this session, although we have had repeated indications from hon. members who come from western Canada in the throne speech debate, in the budget debate, in written and in oral questions as to the state of agriculture in western Canada and in Canada generally.

The government has brought forward no new policy. It has not even given a report on old policy. We would like to know from the Minister of Agriculture now—and this would be something that would really assist the western farmer and farmers in all parts of Canada—what progress has been made. Is Ontario likely to come into the scheme? Is Saskatchewan? Is Alberta, my hon. friend's own province?

These are answers that will give some substance to the suggestion that this government has a policy with regard to assisting the farmers of Canada. The fact is this. Like on so many other fronts this government, having promised more than any reasonable human being has a right to promise, having been confronted with the reaction to those promises, face to face with the economic problems of the country, just does not know where to turn. For that reason for over a year and a half the Minister of Agriculture and his colleagues have been resourceful in finding ways and means of postponing any definite reply to the farmers of Canada. Not only is that true of western farmers but it is true of promises made to other groups.

The Minister of Agriculture may rise after I have finished and point out that I have made a mistake on some point, and if I have —and I suspect that I may have—I will be the first to admit it.

Mr. Harkness: I am sure of it.

Mr. Martin (Essex East): But I will say this. I will pit my zeal and my desire to do something to assist the western farmer against what my hon. friend promised and has failed to do. In this policy before the committee now, a policy involving a total expenditure of $40 million—

Mr. Harkness: Of $42 million.

Mr. Martin (Essex East): The Prime Minister said $41 million yesterday. The cost of the program in 1958 was $40 million. Undoubtedly the expenditure of that sum of money is bound to be of value. We all welcome any assistance that will be given to those farmers in western Canada who need assistance.

But let there be no mistake about this: this program is not going to help all the farmers in western Canada. It is going to be of some assistance to some of them, perhaps to a great number of them, but it is also going to be of assistance to farmers with large acreages who do not need this kind of assistance. I ask the Minister of Agriculture, now that we are soon to prorogue, to take a good holiday; to examine his record to date and to place alongside that record the promises of his government; to prepare a balance sheet and, next session, to act forthwith without waiting for prodding by members of the opposition, without waiting to be compelled to give answers, in a way which will reflect a dynamic approach, consistent with an effort of the kind which the Prime Minister in particular and other members on the government side said they were going to make to solve the problems facing agriculture at this its most critical period.

Mr. Harkness: I think I should attempt at once to save from himself my honourable, learned, but non-agricultural friend from Essex East. The hon. member for Essex East quite evidently, in spite of the fact that we had a program of this kind in 1958 which was debated here for a long time, both at the time it was going through and afterwards, and the fact that we have been discussing this particular matter all day and that it was explained by the Prime Minister yesterday and explained by myself and by several other members of this party today, still has no conception whatever of what the estimate

calls for and what the program is. He took this break-down and the number of permit holders and looked at it and said that the people who were in the first bracket amounted to 20,323 with 99 acres of cultivated land with on the average 15 acres of wheat, so they would only get $15.

This indicates no understanding of the program at all. The program provides, as indicated in the printed estimates which I think the hon. gentleman has before him, that payments would be made on a basis of $1 per cultivated acre up to a maximum of 200 acres per farmer. The specified acreage of crop, that is the cultivated acreage, is laid down in the wheat board act and is as appears in the farmer's permit book. That is why the Minister of Northern Affairs and National Resources asked the hon. member for Essex East whether he had ever seen one of these permit books.

Mr. Martin (Essex East): Have you ever seen one?

Mr. Harkness: I have one. As a matter of fact, I deliver grain on it every year.

Mr. Martin (Essex East): I thought you were a hog producer.

Mr. Harkness: I also have a permit book and I deliver wheat from time to time. There are several of our farmers in the west who do not concentrate all their efforts on wheat or on hogs. We have a somewhat diversified operation.

At all events, the hon. member for Essex East seems to have missed the whole point of the program, that these payments would be made of $1 up to a maximum of 200 acres, so then these 20,323 people will receive an average of $66 each because that is the average acreage they have.

Mr. Martin (Essex East): Did you say $66?

Mr. Harkness: Yes. Then the next group would receive an average of $144.

Mr. Martin (Essex East): That's not $200 either.

Mr. Harkness: No. The payment is $1 an acre up to a maximum of $200. As I said earlier, you take the first three of these groups which constitutes 125,000 people out of 250,000 and they will receive over half of all the money paid out and they constitute the smaller farmers in western Canada. The program which the hon. member has been advocating all along, that of deficiency payments so-called, would have meant that these two groups would have received less than 15 per cent of the total amount of the money paid, and with the third group added around 22 to 26 per cent, the bigger farmers getting the remainder. That is what the hon. gentleman has been advocating.

Mr. Martin (Essex East): Now that the minister has been good enough to make this correction, I put it to him right now that on those figures 76,071 holders of permits will receive less than $200.

Mr. Harkness: Yes.

Mr. Martin (Essex East): Oh well, is that not a complete vindication of the argument I made?

Mr. Harkness: No, it has nothing to do with it.

Mr. Martin (Essex East): Oh.

Mr. Harkness: You did not know what argument you were making. Through you, Mr. Chairman, I want to tell the hon. member that he did not know what argument he was making and that he did not understand the scheme. This is a scheme designed to give the maximum amount of assistance we can without giving an outright flat grant of the same amount to everybody in the country of a sum of $200. There is a good reason for this. There are a lot of these smaller farms on which the farming operation is a part-time operation. There has to be some regard paid to the amount of land under cultivation. Some of these small farmers are people who have perhaps only five or six acres under cultivation. But the hon. member apparently thinks there should be just a flat payment made to everybody who holds a permit book or something along those lines.

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

Mr. Harkness: Now usually when the hon. member for Essex East is speaking, if anybody interrupts him or asks leave to ask a question he immediately goes into a tirade about an attempt being made to stop him speaking, but now when someone else speaks the hon. member keeps muttering continually.

Mr. Martin (Essex East): I am very sorry, it is only my enthusiasm.

Mr. Harkness: The hon. gentleman's enthusiasm seems to run away with him continually.

Then the hon. member went on to accuse me of not having said that all farmers would not get the maximum amount. I certainly stated it. I indicated it in the table which I placed on record in *Hansard*. I said the majority of the smaller farmers would get the maximum amount, but not all of them. There was never any question about that.

The hon. member went on to talk about crop insurance. Crop insurance has nothing whatever to do with this matter but he did ask several questions on the subject, so I would inform him that Saskatchewan last year passed legislation providing for crop insurance and set up a crop commission or an organization along those lines to put a scheme into operation. Then if the hon. member has been reading his local newspapers he would have seen that the Ontario government has been holding public hearings on crop insurance in his own part of the country.

Mr. Martin (Essex East): I know that.

Mr. Harkness: Just a while ago he was saying that Ontario is having nothing to do with it. Yet right in his own part of the country they are holding these hearings to investigate the need for crop insurance. Alberta has shown an interest in it and British Columbia has also shown an interest. Certainly there is a good deal of interest in crop insurance. When I introduced the bill in the house the hon. member may recall I said that although interest at that time in some parts of Canada might be limited I was sure it would grow, and it is growing, as I indicated at that time.

The hon. member went on to talk about Conservative promises in relation to agriculture. I defy him to produce any piece of campaign literature which we put out in 1957 or 1958 dealing with agriculture and containing a definite promise with regard to agriculture which has not been carried out.

In 1957-58 we brought out our program for agriculture. I have not got it here but it consisted of nine or ten points, and all of those things except one have been carried out. That one was the establishment of a forage bank in the prairie provinces, but the only province which has shown any interest to date is Saskatchewan and any scheme along that line has not been implemented. But every other one of those things we promised to agriculture in our agricultural program of 1957 has been carried out.

While I am on my feet perhaps I had better deal with some of the other criticisms which the hon. member for Essex East made in the first instalment of his remarks today. He said the members of the government had made speeches in the last election campaign to the effect that deficiency payments on western wheat, oats and barley would be paid. I defy him to produce any proof of that whatever. He said that the Minister of Agriculture had said that. The Minister of Agriculture never made any statement of that kind at any election meeting and no other member of the government made any such statement to my knowledge. That is pure fabrication, or perhaps I should say imagination, on the part of the hon. member for Essex East.

He also spoke about four alternatives which the western farm delegation proposed in addition to the so-called deficiency payments, but he did not read what the heading was. This is the heading on the brief that the western farm delegation submitted: "Other measures which can be used to limit the need for deficiency payments". They were putting forward these suggestions, which, if they were put into effect, might limit the need, as they saw it, for deficiency payments.

The most important of these, the one which was designed to give the most money to western farmers, was the institution of a two-price system for wheat. The present payments look after that and it is just another means of doing it. The matter of the exchange on Canadian money has ceased to have much effect. The dollar now is down fairly close to par, so the need for that has largely disappeared.

Mr. Martin (Essex East): It is about 3 per cent, is it not?

Mr. Harkness: Around two, I think.

Mr. Martin (Essex East): Two and three quarters, to be exact.

Mr. Harkness: It does not make a great deal of difference though.

The matter of the flour would be a very small payment indeed, an amount at the most of $4 million. The biggest of these has been looked after. One of them to a large extent has disappeared, and the third would amount to very little. The fourth one was the payment of all storage charges, and it is a very debatable point as to whether farmers in western Canada should pay no storage at all, because that would place farmers in eastern Canada in somewhat of an invidious position if they had to pay storage on all their products whereas the farmers of western Canada did not pay any storage on wheat, oats and barley. I think that is a consideration of which the hon. member might have thought.

Then the hon. member made a great point out of the fact that we had abdicated our responsibilities because we had asked the western farm liaison committee to put in writing any alternative they wished to discuss with us, and that in our opinion they failed to do so. There is absolutely no abdication of responsibility or anything else along that line. The whole point of asking these people to put in writing the alternative they wanted to discuss, as was indicated to them, was so

that we might study it and be in a better position to discuss it with them. But there was no question that they would come down here and dictate to the government as to what policy would be put into effect. We said that if they had any new ideas we would be glad to hear them, but they never produced any ideas of value. They merely reiterated the four things they put in their brief to begin with, and then they said that they were also prepared to discuss the acreage payments which we had suggested. As a matter of fact at that time we had not suggested that. But as I say, they produced nothing new whatever, not a single new item for discussion, and as a result there was no particular value in having them come down and discuss all over again something we had discussed with them on several occasions before.

The hon. member for Essex East was trying to make out that we had refused to see them, and so forth. We have seen the heads of these western farm organizations since we have been in power on numerous occasions. We have seen them altogether I think at least six or seven times. As a matter of fact, after they came down with their delegation in March we met them again last January and they presented to us a brief on the 30th of that month, this year. So there has been no lack of meetings with the representatives of western farm organizations, and any complaint along the lines the hon. member has made to the effect that we were trying to turn policy over to them is completely ridiculous. If they had had any new ideas we would have been delighted to have them come down and explain them to us, but they did not produce any.

Mr. Chairman, I believe most of the time taken by the hon. member for Essex East was really devoted to trying to sow the impression that in some way we were not assuming our obligations and responsibilities as a government to look after agriculture, that we were delaying the giving of an answer on this and other matters, and so on. I think the whole record of this government, particularly with regard to agriculture, indicates the exact reverse. We have met the promises which we made before we came into power and have done more for agriculture; we have provided more public funds to assist agriculture, and have started more new programs for agriculture, than the Liberal party did in the whole 22 years they were in office.

Mr. Horner (Jasper-Edson): Mr. Chairman, I welcome this opportunity to take part in this debate on the question of acreage payments. I have been an advocate of this form of assistance for western agriculture and was prior to the march of the farm organizations to Ottawa in 1959. And I am still a 100 per cent advocate of acreage payments in this regard.

We have listened to the Liberal opposition, particularly today, utter a lot of nonsense. The hon. member did not even know what kind of program we had in 1958. The minister has pointed out that it was obvious, and for the hon. member's further elucidation these people who have small acreages, from 100 to 199, do not sell their grain.

I would like to give the figures for my constituency in this regard. In 1958-59 there were 1,500 new permits issued in my constituency alone. Why did these people apply for a permit? Why were they not able to sell their grain? Because they were too far from the railroad. In my area we have the lowest elevator storage on the prairies. Those 1,500 people represent almost 25 per cent of the entire farm population of my constituency.

I need not point out to the hon. member that these people would not have got a nickel under a deficiency payment scheme. There is no doubt at all that the argument rests four square on whether we should have a deficiency payment scheme on a bushel basis or whether we should be paying these payments, as we intend to do, on an acreage basis. The Liberal party through its leader has enunciated their policy, as has the C.C.F. party. They have come right out and said they want deficiency payments on a bushel basis.

Let us get the argument right and have them stand on their own feet for a change, instead of listening to the hon. member for Essex East wandering all over the place this afternoon not being able to get back to the point at all. Is the hon. member for it or against it? What program does he want? They had announced that they were for deficiency payments. Obviously they do not know, because they do not know how an acreage scheme works. How could the hon. member bring forward an alternative plan? He could not. Therefore, what we have listened to is just a bunch of Liberal drivel which will sell western Canada down the drain again.

I say that the only reason we have had a substantial increase in assistance to agriculture in the past three years, and particularly western agriculture, is that the right hon. gentleman is leading the government, and the people of Saskatchewan, Manitoba and Alberta are going to realize it. They were sold down the drain by the previous Liberal government. I do not say that Mr. Gardiner did not want to do something for western Canada, but he failed to get assistance from the party or from the gentlemen

who are now doing all the talking about trying to do something for western Canada. That is why we did not get the south Saskatchewan river dam at that time. This dam is being built now and it is being built because we have a Prime Minister of this country who comes from Saskatchewan. This is the only way we could have got it.

The hon. gentleman had quite a lot to say with regard to the farm march. It was initiated, instigated, organized and sold by two political parties in Saskatchewan, the Liberal party and the C.C.F. party. Nobody can deny that. Mr. Turnbull, one of the leaders of the march, is now the minister of co-operation in the Saskatchewan government, and Mr. Wesson, a long time Liberal, has been associated with the march to deliberately discredit our Prime Minister in his own province of Saskatchewan. There is no doubt about that. I was one who said that I refused to vote $4,500 to the big farmers on the prairies. The hon. member for Assiniboia went all over the province of Saskatchewan and said that I would not vote this $4,500. My position has not changed one little bit.

The Saskatoon *Star-Phoenix*, a paper which has done more to hold back the development of Saskatchewan than any other that I know of in Saskatchewan—and I was born and brought up there—a paper which has no sense of responsibility, and I can prove that very simply, misquoted remarks that I made in the house. They wrote an editorial without even bothering to read what I had to say. It was something like the hon. member for Essex East getting up and talking about acreage payments when he obviously doesn't understand what they are. This is a paper which has a monopoly in north central Saskatchewan. It is a paper which is supposed to be doing something about the development of Saskatchewan. What has it done for the development of Saskatchewan? Not a thing, sir. I left the province of Saskatchewan because of the socialist government; I am not afraid to admit it.

I now come to the problem which my hon. friends have been talking about. I refer to the liaison committee of the farm organizations. I want to put on record what a farm organization in my area thinks about acreage payments. I have a letter from the director of a large area in my constituency, and I should like to quote from it. I do not intend to give the name of the writer, but I intend to stand by the letter myself:

> I was asked to send you our comments on the acreage plan. We are all pleased with the acreage plan which is going to help the small farmers, the ones that need it, instead of a deficiency payment on wheat alone, that would help only a few, and not help the wheat surplus situation any.
>
> I would like at this time to send you our thanks for your help in getting these two bills passed.

This is from a director of a farm union in my area in Alberta. I have in my file all kinds of letters from farmers in my area, from farm unions in my area, requesting me to vote against a deficiency payment plan and to work for an acreage payment plan as outlined in 1958. I have not one letter from any individual farmer asking for deficiency payments on grain. We hear about what the farm unions are saying. I can tell you, sir, this is what the grass roots of the farm unions are saying. They are saying, we want an acreage plan because it is fair and does not discriminate against initiative and it does not pile up surpluses of the various commodities.

As I said, in my constituency one quarter of the farmers would not have received a nickel under the deficiency payment plan. Why would they not? Because they had the initiative to go out and diversify their operations. I have maintained for a long time that our program to help agriculture must be based on the idea that we have to diversify; that we have to be ready to produce the product that we can sell in the market place. If we do not do that then there is not very much we can do for agriculture.

When the farmers came down to Ottawa Mr. Wesson said that you cannot diversify in Saskatchewan. This year he came down and appeared before the agricultural committee with regard to the question of feed mills. I happened to get him a little bit off the track and I asked this question: Do you not believe that diversification is the basis of the answer to the problems of agriculture in Saskatchewan, and he said, "yes, I do". This was a year later. He is now changing his tune. He now realizes, as he should have realized before, that we must have diversification.

The hon. member for Humboldt-Melfort has pushed the question of rapeseed in this house, and now the hon. member for Essex East is on the bandwagon, and I am very grateful for that. The production of rapeseed is one thing that we can embark on. Owing to present technical facilities and our ability to grow wheat we cannot sell, we cannot afford in western Canada not to undertake two things. We have to recognize and give incentive to quality, but we also have to recognize and give incentive to those people who have the initiative to diversify their farming operations to such an extent that they will be able to have an adequate income from the farm.

The hon. member made a lot of noise about our promises to the farmers. I stand up here and say that this government, headed by the Prime Minister, has fulfilled every pledge

we made to agriculture. We have not solved all problems yet but we are well on the way to doing it. This kind of program will help.

Yesterday the hon. member for Vancouver East said we recognize that we cannot do anything about costs. We recognize that something can be done about costs. We have done a number of things to reduce the costs on the farm. First and foremost of these is our new farm credit facilities. Farm credit means better capitalization, which means better management, which means reduced costs. It is as simple as that. Cash advances work in the same way in that they give the farmer the necessary capital to enable him to reduce his costs. Our program of crop insurance, which the hon. member for Essex East has discounted because he does not know anything about what is happening in that field, again is something which reduces the cost of operations and this was brought in by the present government.

I could mention other things such as the conservation conference which the Minister of Northern Affairs and National Resources is setting up. Then there are the better and improved facilities having to do with the health of animals, better marketing and research and other technical changes. All of these things help to reduce the farmer's costs and will help more in the future as these programs are fulfilled. To say that we cannot do anything about cost is to say something which is erroneous and not according to the facts.

We have listened, as I have said, with a great deal of amazement to the hon. member for Essex East talking about the acreage plan. It was obvious that he did not understand how it works. I say to him that 95 per cent of the farmers in my area want an acreage plan and have told me so. I told the hon. member so before and he laughed at me. All I have to say to him now is that that is the truth and it will be made evident by support for the government in any future election and support for the Prime Minister as having done more for the three prairie provinces in an historic three-year term than any other prime minister in the history of this country ever did. We shall see that the people of western Canada find out about it in spite of the Sifton press, in spite of the nonsense the hon. member read from the Winnipeg *Free Press* and that you can read any day in the Regina *Leader-Post* and in the Saskatoon *Star-Phoenix*. Writers from these papers sit in the press gallery and write articles in which they deride members of parliament to stand up on their feet and say what they think. How many times have they ever written articles for these papers in which they have said what they thought? They say what their publishers tell them to say and that is all. I defy them to do otherwise.

[Mr. Horner (Jasper-Edson).]

Since I have been a member of the house I have always said what I thought and I do not intend to change my ways. I intend to support this program of the Prime Minister and the government because it is one of the best things that has ever happened to western Canada.

Mr. Winch: Mr. Chairman, since 11.30 this morning we have listened to quite a gabfest on this item of the supplementary estimates and, honestly, sir, it has been rather amusing to listen to so many on the government side speak so emotionally and at length today in support of this item after having listened yesterday to speeches made by some of the same hon. members about repetition and lengthy speeches. I am going to speak very briefly. When the Prime Minister made his announcement of policy yesterday I thought he made the position of the government clear on the matter of aid to agriculture. I also thought that the hon. member for Essex East made the position of the official opposition clear. Although I may have failed to do so in the ten minutes in which I spoke, I tried to comment very briefly upon the statement of the Prime Minister and to explain the position of this group.

Because of that I had rather anticipated that today we would have been able to put through the supplementary item now before us very speedily. I had not anticipated that there would be hours spent by members on the government side and in the official opposition in going back into history, quoting one another and engaging in recriminations. That is exactly what has been taking place.

I think what has taken place highlights one thing, that the problems of agriculture are most complex and complicated, and because of that it is quite apparent that nobody now has the complete answer. I think we have got to recognize the position of agriculture and the problems that affect it not only with regard to wheat but with regard to the industry throughout the dominion. I say that we—I say "we" because we have a collective responsibility as members of parliament—have been dealing with the problems of agriculture up to now on a partchwork basis. Because of dealing with agriculture on a patchwork basis, we now find ourselves in the situation that we are subsidizing everything from soya beans to sunflower seeds, to rapeseed, to tobacco—

Mr. Harkness: Neither rapeseed nor tobacco.

Mr. Martin (Essex East): Sugar beets.

Mr. Winch: Well, sugar beets, and do not ask me if I know the difference between sugar beets and rapeseed, because I do. In various ways we are providing subsidies and establishing floor prices here, there and everywhere. I do not know what the exact figure is but I would make a guess that directly and indirectly we must be spending somewhere between $135 million and $150 million on wheat.

Mr. Harkness: No.

Mr. Winch: Yes, if we take into account all the various aspects, storage, P.F.A.A. and all the angles. I was trying to figure out the amount a while ago and I had reached a figure of $120 million. However, from all angles there is a patchwork approach to the problems of agriculture. Some people are helped and many are not helped, which leads me to the conclusion, whether or not hon. members agree, that we have reached the time when there must be an over-all study of the problems of the agricultural economy and the establishment of an agricultural policy. Although many will not like my saying this, if the government is going to face up to the problem, irrespective of what party is in power, then to that end there will have to be some control of production and distribution. To me that is almost inevitable. Otherwise we are going to go on as we have in past sessions and as we are right now this afternoon.

I said I was only going to speak for a couple of minutes. Under this supplementary vote I am not going into the arguments pro and con as to the various approaches that could be made. I merely wish to emphasize that the time has come for a definite, distinct and over-all approach to the problems of agriculture in the hope that just as soon as possible we will have a Canadian agricultural policy. We have before us now a supplementary item and, as I said yesterday, I think that basically it is a hand-out so far as the individual is concerned and in the over-all picture it is a handout of $42 million. Why do we continue talking when we are all going to vote for it? It is something that is going to help. We will not solve the problems of agriculture by passing this item at this time. Why do we not face up to the situation honestly, admit that sufficient has been said on both sides of the house and pass this item providing additional assistance with the hope that next session the government will produce a real agricultural policy for Canada?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, we have listened to the hon. member for Vancouver East appeal to hon. members to put this vote through quickly since we are all going to vote for it. However, I wish to point out to him the fact that the 47 members from the prairie provinces have taken the most severe pounding on this very subject that any group has ever taken and that all we are doing is speaking on behalf of our constituents who in our opinion are fighting for survival. I wish to point out that the start of the comprehensive and co-ordinated program of the government was laid down in the house by the Prime Minister on August 30, 1958. If the hon. member will take the time to read it—

Mr. Winch: I did.

Mr. Hamilton (Qu'Appelle): —he will see that the government has already moved widely and deeply on the problem of a co-ordinated program to assist agriculture. When I rose to speak it was not to answer the hon. member for Vancouver East but rather to have a word or two to say about what has been said by the official opposition.

I am very pleased that the Leader of the Opposition is in his place when I start my remarks, because when one of our members mentioned that the Prime Minister had not promised deficiency payments in the 1958 election I heard the Leader of the Opposition say, "Your leader did". I want to take this opportunity of saying that that is not true in any particular.

Mr. Pearson: I will have to repeat it again. How many times do you want to hear it?

Mr. Hamilton (Qu'Appelle): Do I understand the Leader of the Opposition to say in his place that the present Prime Minister promised deficiency payments? I would like to get this on the record.

Mr. Martin (Essex East): We will show you the record.

Mr. Pearson: I will be speaking and I will put it on the record.

Mr. Hamilton (Qu'Appelle): I want you to put it on the record, because I have in my hands the record of this matter when it came up twice before, when the Prime Minister stood in his place in this house and said he had made no such statement and when I, as Minister of Northern Affairs and National Resources and as a minister of the crown stood up and repudiated the member for Assiniboia for this type of false information that he was spreading. It is all here in the record of the house. This was on January 19, 1959 and was on a question of privilege. The hon. member for Assiniboia used these words:

> The Minister of Northern Affairs and National Resources has said that the government will provide deficiency payments. This is what the statement says, but I have heard no indication from the government that deficiency payments are to be provided.

I rose and spoke in my place and said:

Mr. Speaker, on a question of privilege, this is the same statement that the hon. member made last session. When I spoke on other occasions across Saskatchewan I made it very clear that I was not in favour of deficiency payments but that they would be given consideration. When the proper time comes in this debate I will give a full answer to the hon. member for Assiniboia.

The hon. member for Assiniboia said as follows:

Long after the quotation in the newspapers we get an apology from the minister that he has been misquoted. The Prime Minister said that he was going to give the question sympathetic consideration. These were the words used. Well, sympathetic consideration or otherwise, there is no action.

Mr. Diefenbaker: Mr. Speaker, that is just a statement by the hon. gentleman. I make the statement that at no time did I say that I would give the question sympathetic consideration. I made it very clear consideration would be given to this question. Make no mistake about that.

Mr. Argue: Mr. Speaker, I quoted it before. I do not have the clipping with me now but the report was made from a speech that the Prime Minister made in the city of Moose Jaw.

Mr. Speaker: I think the hon. member will have to accept the statement made by the Prime Minister in his place that he did not use the phrase.

Now we have a repetition of this same type of thing from the hon. Leader of the Opposition. I have challenged him, and I challenge him again—

Mr. Pearson: I have not spoken yet.

Mr. Hamilton (Qu'Appelle): —to produce this statement where that promise was made. On the contrary, if you read the news reports of the election in Saskatchewan in 1958 you will find C.C.F. speakers went up and down that province and quoted me over and over again as being opposed to deficiency payments. If I am going to be attacked all across my province as being opposed to deficiency payments, and then come down and have one of the hon. members of this house, the hon. member for Assiniboia, keep on repeating that I was for them, and now the Leader of the Opposition trying it, repeating a debate already in this house on which the Speaker has made a ruling, then I think this should be brought to the attention of the hon. members here. Mr. Chairman,—

Mr. Pearson: I have not spoken in the debate yet.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I have a few words to say about this item, because I have been associated with the words of this item for a good many years. I would like to read the item to the house, to refresh our memories:

Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis—

[Mr. Hamilton (Qu'Appelle).]

It then describes the basis of a dollar an acre. As a member of the Progressive Conservative party in the province of Saskatchewan I have attended conventions in that province since the early thirties and I can recount to this house resolutions going back to 1938 in which the Conservative party of Saskatchewan advocated the two-price system.

I do not want to take the time of the committee in reading this history into the record. In Saskatchewan we have always argued that we could not control the price of export wheat, but we did have a right to equal treatment with other producers of other products in Canada in getting a fair price in the domestic market. That has been our stand traditionally.

In Saskatchewan we have always supported a two-price system whereby, because of the fact that we do have to sell in the export market and do have to accept, when world prices are low, a low price for our product, that at least in so far as wheat consumed domestically in Canada is concerned, we can ask for a fair price.

We call this a domestic wheat price; we call it a two-price system. When the Prime Minister spoke in 1958 in announcing this over-all, comprehensive and co-ordinated program dealing with all parts of Canada, he made it very clear that there had to be some attention given to the special problems of the western producers. At the end of that six-point program he enunciated this seventh point of the acreage payments.

As members in this house have pointed out today, the western Canadian farmers never did find out about this comprehensive program, a national agricultural program in western Canada, because all they heard was the great phrase "peanuts" coined by the hon. member for Assiniboia and added to by the Leader of the Opposition.

Mr. Martin (Essex East): He did not call it peanuts.

Mr. Hamilton (Qu'Appelle): He called it a pittance.

Mr. Pearson: What is wrong with your propaganda organization?

Mr. Hamilton (Qu'Appelle): I am corrected. The Leader of the Opposition called it "salted peanuts".

Mr. Pearson: I did not use any such expression.

An hon. Member: You did.

Mr. Pearson: I did not. That is not so.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, we have before us a very good example of

the forgetfulness of the Leader of the Opposition. I hope my friends in the committee today are looking at that debate of August 30, 1958. It gives the exact words, "salted peanuts".

Mr. Pearson: I added "salted" to "peanuts"; that is right.

Mr. Hamilton (Qu'Appelle): I think I would like to read this into the record, Mr. Chairman. The Leader of the Opposition said:

> I have no doubt that when my hon. friend from Assiniboia gets up immediately after I conclude he will call it peanuts.
>
> Mr. Argue: I did that a couple of days. I shall call it a pittance today.
>
> Mr. Pearson: Perhaps he may even refer to it as salted peanuts.

Mr. Pearson: Exactly. What is wrong with that? That is what he said. Your recollection was not as good as you thought.

Mr. Hamilton (Qu'Appelle): It was good enough.

An hon. Member: Good enough for you.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, we have a situation where this has been the stand of those of us from Saskatchewan and I do hope it is held by the farmers of Manitoba and Alberta as well.

But I want to tell the committee now that the Liberal party believed in a two-price system also. They believed in a two-price system and they put one into effect. Let me read what they paid under their two-price system. These are taken from the Canadian wheat board annual reports and they are the dates and prices for domestic wheat as given by the wheat board to the trade.

From August 1, 1942, to September 13, 1947—a period of roughly five years—the price was 77.375 cents a bushel. That was a Liberal two-price system.

Mr. Hees: For shame.

Mr. Hamilton (Qu'Appelle): A special price that the farmer received for his wheat if it was sold to domestic consumers. At the same time the world price went up to $2.44. The Liberal concept of a domestic wheat price was to let the world market pay $2.44.

Mr. Martin (Essex East): Let us talk about current situations.

Mr. Hamilton (Qu'Appelle): But if it was a farmer, all he could get was 77.375 cents a bushel. That was the Liberal type of two-price system.

Then on September 14, 1947, and lasting to July 31, 1948—about a year—they raised that price to $1.55. They let the farmer of western Canada have $1.55 a bushel for every bushel that went into domestic consumption. But what was the price paid on the open market? It was $2.88. There was an example of a Liberal two-price system, a $1.33 differential, a price system of $1.33 below the world price even. On August 1, 1948 and lasting to March 23, 1949 the price was raised for domestic consumption to $1.58½ when the world price was $2.26.

Then they got religion, real religion. On March 23, 1949 they raised the price lasting to July 31, 1949 to $2 when the world price was $2.26. It was still below the world price but they did get it up to $2. Why? Because 1949 was an election year.

Mr. Hees: Obvious Liberal tactics.

Mr. Hamilton (Qu'Appelle): A few months before the voters went to the polls they got religion. They suddenly realized that the farmer deserved a fair price for his product. They raised the price of wheat for domestic consumption from $1.58½ to $2 a bushel.

Mr. Speakman: Would the minister permit a question? Would the minister tell the committee how many members they got from the western provinces too?

Mr. Hamilton (Qu'Appelle): I do not have the exact figures but I know that the Liberals won just about every seat from Saskatchewan.

Mr. Martin (Essex East): We know how many you have from Saskatchewan.

Mr. Pearson: You did not do so well.

Mr. Hamilton (Qu'Appelle): I should like to remind the Leader of the Opposition who loves to interrupt that there was a Liberal member sitting on the treasury benches who went out to Manitoba. When the farmers told this minister their troubles he reached over and patted one of these farmers on the stomach and said "You aren't doing too badly". He has now retired from public life and is both out of the treasury benches and out of the house.

Mr. McCleave: And is rubbing his own stomach.

Mr. Hamilton (Qu'Appelle): In fact he has retired to about 20 directorships of corporations. I say here today that if the farmers of western Canada could have heard the speech made by the hon. member for Essex East it would have made Mr. Howe's gesture of patting the farmer's stomach seem like peanuts. The hon. member for Essex East has never even studied a western farmer's permit book and is not even sure whether eastern farmers have permit books. I understand that the hon. gentleman is not even too sure how many pounds there are in a bushel of wheat.

Mr. Martin (Essex East): You will have to be a little more clever than that.

Mr. Hamilton (Qu'Appelle): Here we are in this important debate on this item. We know where the C.C.F. stands. As I understand it they favour deficiency payments. We knew that the Liberals stood for deficiency payments two years ago. I suspect that they still stand for deficiency payments although no one has come out clearly and said so in discussing this item.

Mr. Pearson: You are very suspicious.

Mr. Hamilton (Qu'Appelle): I would like to put this to the Leader of the Opposition. I am glad he is in his seat. The hon. gentleman is going to have a chance to speak on this item. I want to know whether he stands for deficiency payments now, yes or no.

Mr. Pearson: Would the minister permit a question?

Mr. Hamilton (Qu'Appelle): Gladly.

Mr. Pearson: Is the minister standing for and advocating a two-price system now as he has been saying in the last 15 minutes?

Mr. Hamilton (Qu'Appelle): This leads me right into my next remarks.

Mr. Pearson: The hon. member has been repudiated by the Prime Minister already.

Mr. Hamilton (Qu'Appelle): I have pointed out that the Conservative members from Saskatchewan have always stood for a two-price system. We were aware that the wheat pool and the farm union of that province came out for a domestic wheat price in November of 1956. The chairman of the Saskatchewan wheat pool said that he thought 30 cents a bushel would approximately balance off the differential in cost as compared with the things the farmer had to buy. The figure of 30 cents a bushel was advocated in 1956.

When we announced our statement in the house in August of 1958, which was the earliest we could deal with the matter, we came out with an amount of money which we estimated at that time to be $40 million since the amount of wheat domestically consumed in Canada is between 40 and 45 million bushels, fluctuating each year. We were in effect putting forward almost $1 a bushel even though the wheat pool and the farmers' union had asked for 30 cents a bushel.

This brings up what the hon. member for Essex East was talking about. He spoke about the farm brief and why this government has not dealt with the other alternatives put forward both in the brief presented in the spring of 1959 and the one brought before the government on May 10 this year.

[Mr. Hamilton (Qu'Appelle).]

I will repeat what the hon. member for Essex East said because it gives an answer to the Leader of the Opposition. The hon. gentleman raised this question: Do you still believe in the two-price system? The answer is: Yes, I do. But I try to be a responsible minister. As hon. members from western Canada know, those who have the responsibility of putting these policies into practice have some responsibility for the farmers they represent. I am going to point this out. If a payment is made on bushels alone and not on acreage, what happens to the man in the constituency of Jasper-Edson who does not sell any wheat, oats or barley at all? He gets nothing. He feeds his grain. What happens to the farmer in the eastern Manitoba ridings who feeds his wheat, oats and barley? He gets nothing. Therefore, if we are trying to tie our policy towards an isolated problem of the shortage of cash to an over-all co-ordinated and comprehensive program it will be found there has to be some association. If we want to encourage people to move into diversified agriculture, not in a rush but in a steady and economic growth, we are not going to go out and make payments on a bushel basis which will encourage them to go back into the production of wheat, oats and barley.

I know these arguments fairly well. I suggest that what we have done is to take a look at the farmer's rising costs. Even though the farmers asked for 30 cents a bushel in 1956 we gave them nearly $1. What are they asking for now? In the brief dated May 10 they proposed a two-price system for wheat which would add 60 cents a bushel to the producer for wheat used in the manufacture of bread in Canada. The farm organizations asked for 60 cents but we are putting in an item for $42 million which is roughly equivalent to $1 a bushel. We are giving more than what they asked for with respect to this matter in 1960 but instead of putting it on a bushel basis we are trying to find some means that will be fair to all farmers and will be more in harmony with our over-all program as illustrated in the fine speech delivered by the hon. member for Provencher.

I am going to quote from some newspapers, too. The hon. member for Essex East was good enough to quote from some well-known Liberal or Grit papers including the Winnipeg *Free Press*. I should also like to read from an article in another Liberal paper which is not so "Gritty". I refer to the Lethbridge *Herald* dated June 18, 1960. I will read a portion from an article discussing the brief presented by the farm organizations to the government:

Three of the four proposals by the western farm organizations are directly designed to raise the

price of wheat. The payment of all storage charges, the creation of a two-price system and the flour subsidy would all serve to increase wheat prices. They would do little for the mixed farmer or for the small grain farmer. They would do nothing for the livestock feeder or for the man who suffered a crop failure. The help would go primarily to the large wheat farmer.

If the federal government agreed to the proposals it would mean they paid the cost of storage on all grain in commercial positions, plus a subsidy on all grain consumed domestically plus a subsidy on flour exports. The annual cost would be about $108 million.

Average production of wheat in Saskatchewan over the past five years has been 20.04 bushels per acre. The subsidy per acre for wheat acreage under the proposal would be $6.60, less a couple of bushels an acre retained for seed, or about $6 an acre.

A farmer who marketed 20 bushels an acre and had 1,000 acres seeded would get a $6,000 slice out of the grain subsidy pile. A farmer with 50 acres in wheat who marketed an average crop would get $300. The farmer who had a crop failure or who for any other reason failed to market wheat would get no part of the proposed $108 million.

Here you have a proposal by the farm organizations which itself, taking those three proposals out of their brief, would be helpful only for the person who produces wheat, because when you pay a subsidy for domestic wheat and concentrate solely on wheat, if you pay a subsidy on wheat flour it goes solely to the wheat producer.

If one calculates what is paid in farm storage and in other forms of indirect payment there would be in the aggregate what would amount to a $6 grain subsidy. This item does not match that, but who would get the big chunk of that amount? The man with the big acreage. You can understand why the Prime Minister told the farm organizations that we were interested in hearing their point of view if they would bring forth a policy that did not discriminate against the small farmer, that would help adjustment to the new type of agriculture we see coming and, in particular, which would not be something which would build up surpluses and help to destroy the very industry we are trying to help.

The farm organizations came back with proposals that seem orientated around the large farmer. Those proposals are now supported by the Liberal party. They are now supported by the C.C.F. opposition. Therefore we find ourselves in this position; the Liberal party, the C.C.F. party, have raised their flag on behalf of the large farmers in western Canada and we, on the Progressive Conservative side, have stood all along, first, for justice to the small farmer and, second, for a comprehensive co-ordinated program that would lift agriculture up to its fair share of the national income.

The hon. member for Vancouver East asked why the western members, 47 Conservatives out of 48 from the prairies, speak on this measure when all intend to vote for it. We are fighting for the truth. We are fighting to get out to the farmers of western Canada the facts as they are. We are trying to warn them that if they return a government of Liberals, they will have more Howes going around patting farmers on the stomachs; we will have more members from Essex East talking nonsense like the hon. member has been doing today; we will have another do-nothing government; we will have a return to the domestic wheat price of the Liberal vintage where you had domestic prices lower than we had for export—

Mr. Pearson: All that was answered last summer in Saskatchewan.

Mr. Hamilton (Qu'Appelle): The Leader of the Opposition said all that was answered last summer in Saskatchewan. Let me tell him what happened out there. You would think that if the Liberals really believed in deficiency payments and if the C.C.F. really believed in deficiency payments they would have spoken about them, but you cannot find on the records of the press in Saskatchewan during that election even a minor member of the C.C.F. or the Liberal party talked about deficiency payments. All they talked about was that the fight was between the Liberals and the C.C.F. The C.C.F. was saying we want to give state medicine, and the Liberal party saying we want to do it too, but we will have a plebiscite first.

Mr. Pearson: And you said, see what we have done for the farmers.

Mr. Hamilton (Qu'Appelle): We tried to put our story to them. We have not got a powerful press behind us. We have not got a powerful machine like the Liberal party and the C.C.F. have. All we can rely on in Saskatchewan is a few individuals to stand up and say the best thing they can in every street corner of the province. That is what we had to do. We put the facts as we know them before the house and we hope that hon. members from all parts of Canada will recognize the difficulties we have had in western Canada in trying to get the facts before the people.

We say that deficiency payments will destroy the small farmer and we say that if the Liberal party and the C.C.F. keep on with this suicidal policy of supporting deficiency payments that they are out to destroy the small farmers of western Canada and in the long run that policy will destroy the larger farmers, too.

This is not just a debate on an item of $42 million. This is a debate between many of us in western Canada trying to make our voices heard and trying to get across to the people of all Canada that great injustice will occur

if we follow the policy of paying out hundreds of millions in deficiency payments which will destroy not only the small farmer but which will ultimately destroy the whole agricultural industry of western Canada.

Some hon. Members: Question.

Some hon. Members: Carried.

An hon. Member: Five o'clock.

Mr. Peters: May I call it five o'clock?

Some hon. Members: No.

Mr. Peters: I think it would be advisable to call it five o'clock even though it is not.

I may say I was surprised to find the government offering an acreage payment rather than adopting the solution they promised to adopt two years ago. I was out in Manitoba shortly after the acreage payment last went into effect and I was very surprised to find that it satisfied very few farmers and that it did not represent in their opinion any attempt to solve the problem that they were facing. When the delegation of 1,000 farmers came to Ottawa they did not only recommend deficiency payments—

The Chairman: The hon. member may now call it five o'clock.

It being five o'clock, I do now leave the chair.

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will consider private and public bills, the former having precedence in accordance with the provisions of section 3 of standing order 15.

Mr. McCleave: Perhaps orders 2 and 3 could be grouped together?

Mr. Speaker: Is the house agreed that items 2 and 3 be referred to the committee of the whole with those bills already before the committee on Item 1?

Some hon. Members: Agreed.

JACQUELYN GREGORY BRADLEY WALKER

House in committee on Bill No. SD-341, for the relief of Jacquelyn Gregory Bradley Walker—Mr. McCleave—Mr. Rea in the Chair.

The Deputy Chairman: Is it the pleasure of the committee to take these in one item?

On clause 1—*Marriage dissolved.*

Mr. Howard: All the bills are being considered at the same time? I have only one or two thoughts to express with respect to these and my first relates to one of the bills, namely Bill No. SD-341 which was previously order No. 2 and which has now been incorporated. My remarks have to do with the situation which took place last night, a situation which I think was extremely unfortunate because it does make one wonder about what one should do in the future. The hon. member for Halifax when speaking last night, wrapping himself in his flag of integrity and honesty as he did—I think I am correct in raising this under this item because it relates to this one bill—I think unfortunately violated the confidence which all the hon. members of the private bills committee had between them when they made a decision in camera with respect to Bill No. SD-341. A vote was taken in camera, and one of the cardinal reasons for doing things in camera in committee is that no one will violate the confidence of that decision and relate publicly what took place in the committee with respect to any hon. member.

I do not care myself. I am quite at ease to say how I voted on that particular bill, but that is not the point. I do not think the hon. member for Halifax should, as he did and as reported on page 7789 of *Hansard,* have violated the confidence of the members of that committee which met in camera and indicate how individual members voted with respect to Bill No. SD-341. He also should not have violated the confidence of members of the committee as to how they voted on the Eccles case.

I rose at this point only because the hon. member himself undertook to reveal himself in his cloak of integrity and honesty but then proceeded, as I submit he did, to violate the confidence of the committee in a decision it took in camera. This makes the third occasion the hon. member has done the same thing.

Mr. McCleave: Mr. Chairman, I think I have to answer that. I do not think it is a question of honesty or integrity. It may be a question of very poor judgment on my part, but I do not always hold myself out as possessing sound judgment. But my remarks were not uttered in the spirit the hon. member for Skeena illustrated.

Clause agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. SD-56, for the relief of Delema Grace Mullin Simon.—Mr. McCleave.

Bill No. SD-57, for the relief of Earle James Andrew Aspell.—Mr. McCleave.

Bill No. SD-58, for the relief of Marie Simone Louisette Bellemare Lafond.—Mr. McCleave.

Bill No. SD-60, for the relief of James William Neilan.—Mr. McCleave.

Bill No. SD-62, for the relief of Leo Proulx.—Mr. McCleave.

Bill No. SD-63, for the relief of June Laura Welby Leger.—Mr. McCleave.

Bill No. SD-64, for the relief of Dorothy May Kenny Mulcair.—Mr. McCleave.

Bill No. SD-65, for the relief of Margaret Kathleen Graham Lane.—Mr. McCleave.

Bill No. SD-66, for the relief of Hubert Shirley Quartz.—Mr. McCleave.

Bill No. SD-67, for the relief of Claudine Fernande Yvette Thibaudeau Tarride.—Mr. McCleave.

Bill No. SD-68, for the relief of Maryl Pirie Wood Hunnisett.—Mr. McCleave.

Bill No. SD-69, for the relief of Marine Tony Jakovich.—Mr. McCleave.

Bill No. SD-70, for the relief of George Henderson.—Mr. McCleave.

Bill No. SD-71, for the relief of Jean Ludger Villeneuve.—Mr. McCleave.

Bill No. SD-72, for the relief of Robert Marcel Castets.—Mr. McCleave.

Bill No. SD-73, for the relief of Sarah Mary Shirley Collins Stewart.—Mr. McCleave.

Bill No. SD-74, for the relief of Stella Jean Dunn Breitman.—Mr. McCleave.

Bill No. SD-75, for the relief of Klari Margo Farkas Bodo.—Mr. McCleave.

Bill No. SD-76, for the relief of Vera Eileen Rath Croucher.—Mr. McCleave.

Bill No. SD-77, for the relief of Rena Kanofsky Perzow.—Mr. McCleave.

Bill No. SD-78, for the relief of Pearl Thorne Chipman.—Mr. McCleave.

Bill No. SD-79, for the relief of Joan Ethel Brooks Clarke.—Mr. McCleave.

Bill No. SD-80, for the relief of Ann Aaron Regenstrief.—Mr. McCleave.

Bill No. SD-81, for the relief of Eleanor Agnes Overall Cannon.—Mr. McCleave.

Bill No. SD-82, for the relief of Betty Zaracoff Ferstenfeld.—Mr. McCleave.

Bill No. SD-83, for the relief of Kenneth Alan MacKenzie.—Mr. McCleave.

Bill No. SD-84, for the relief of Honoria Evelyn Day Matthew.—Mr. McCleave.

Bill No. SD-85, for the relief of Rene Georges Clement.—Mr. McCleave.

Bill No. SD-87, for the relief of Geraldine Anne Mary McElligott Parsons.—Mr. McCleave.

Bill No. SD-88, for the relief of William Gordon Jack.—Mr. McCleave.

Bill No. SD-89, for the relief of Eileen Coates MacPherson.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-90, for the relief of Maria Lozinsky Truby.—Mr. McCleave.

Bill No. SD-91, for the relief of Willie Pomerleau.—Mr. McCleave.

Bill No. SD-92, for the relief of Patricia Frances Turley Raustis.—Mr. McCleave.

Bill No. SD-93, for the relief of Mary Jean Olive De Vouge Tremblay.—Mr. McCleave.

Bill No. SD-94, for the relief of Dorothy May Vallis Odell.—Mr. McCleave.

Bill No. SD-95, for the relief of Jimmy D'Abate.—Mr. McCleave.

Bill No. SD-96, for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.—Mr. McCleave.

Bill No. SD-97, for the relief of Monique Bauset Malo.—Mr. McCleave.

Bill No. SD-59, for the relief of Elizabeth Lebherz Denig.—Mr. McCleave.

Bill No. SD-86, for the relief of Mary Eva Sheila Redmond Beards.—Mr. McCleave.

Bill No. SD-98, for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.—Mr. McCleave.

Bill No. SD-99, for the relief of John Frederick Alfred Webster.—Mr. McCleave.

Bill No. SD-100, for the relief of Mary Prukker Wigmore.—Mr. McCleave.

Bill No. SD-101, for the relief of Elizabeth Rudolph Beauchemin.—Mr. McCleave.

Bill No. SD-103, for the relief of Marie Claire Georgette Cronier Brault.—Mr. McCleave.

Bill No. SD-104, for the relief of Marie Therese Louise Forest Morin.—Mr. McCleave.

Bill No. SD-105, for the relief of Donat Savoie.—Mr. McCleave.

Bill No. SD-106, for the relief of Joseph Arthur Andre Sicotte.—Mr. McCleave.

Bill No. SD-107, for the relief of Stanley Wellington Burton.—Mr. McCleave.

Bill No. SD-108, for the relief of Hannah Bitensky Bidner.—Mr. McCleave.

Bill No. SD-109, for the relief of Katherine Elizabeth Moore Shaw.—Mr. McCleave.

Bill No. SD-110, for the relief of Mary Margaret Young Doulton.—Mr. McCleave.

Bill No. SD-111, for the relief of Iris Margaret Leslie Sankey Jolliffe.—Mr. McCleave.

Bill No. SD-112, for the relief of Mary Glen Keirstead Routliffe.—Mr. McCleave.

Bill No. SD-113, for the relief of Helen Balacan Berinbaum, otherwise known as Helen Balacan Berne.—Mr. McCleave.

Bill No. SD-114, for the relief of Morris Arthur Bergeron.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-115, for the relief of Erica Theresa Schnockner Giwertzman.—Mr. McCleave.

Bill No. SD-116, for the relief of Boris Moses Ovrutzky.—Mr. McCleave.

Bill No. SD-117, for the relief of Mac Ravitsky.—Mr. McCleave.

Bill No. SD-118, for the relief of Timothy David Rudston Thomason.—Mr. McCleave.

Bill No. SD-119, for the relief of Anne Smilovitch Portnoff.—Mr. McCleave.

Bill No. SD-120, for the relief of Violet Sandra Miller MacKenzie.—Mr. McCleave.

Bill No. SD-121, for the relief of Reva (Rita) Hutkin Agoston.—Mr. McCleave.

Bill No. SD-122, for the relief of Jean Ann Brown Craig.—Mr. McCleave.

Bill No. SD-123, for the relief of Frances Malofy Marzitelli.—Mr. McCleave.

Bill No. SD-125, for the relief of Georgette Malick David.—Mr. McCleave.

Bill No. SD-126, for the relief of John Priestley.—Mr. McCleave.

Bill No. SD-127, for the relief of Caroline May Alexander Clements.—Mr. McCleave.

Bill No. SD-128, for the relief of Ellen Schwarz Blok—Mr. McCleave.

Bill No. SD-129, for the relief of Nijs de Vos. —Mr. McCleave.

Bill No. SD-130, for the relief of Lucien Girard.—Mr. McCleave.

Bill No. SD-131, for the relief of Emilia Arcoragi Fisher.—Mr. McCleave.

Bill No. SD-132, for the relief of Michael Kaluta.—Mr. McCleave.

Bill No. SD-133, for the relief of Andre Marsolais.—Mr. McCleave.

Bill No. SD-134, for the relief of Jozefa Lukasiewicz Bielicz.—Mr. McCleave.

Bill No. SD-135, for the relief of Beverley June Russell Ehrhardt.—Mr. McCleave.

Bill No. SD-136, for the relief of Edith Hirsch Distelman.—Mr. McCleave.

Bill No. SD-137, for the relief of Lise Johanne Carreau Wolczecki.—Mr. McCleave.

Bill No. SD-138, for the relief of Charlotte Stilman Shulman.—Mr. McCleave.

Bill No. SD-139, for the relief of Gail Rabinovitch Golden.—Mr. McCleave.

Bill No. SD-141, for the relief of Nelson Cyr.—Mr. McCleave.

Bill No. SD-142, for the relief of Ivy Baldwin Collier Wright.—Mr. McCleave.

Bill No. SD-143, for the relief of Joseph Alain Jean Guy Berube.—Mr. McCleave.

Bill No. SD-144, for the relief of Shirley Loraine Knodel Burke.—Mr. McCleave.

Bill No. SD-145, for the relief of Rene Lassonde.—Mr. McCleave.

Bill No. SD-146, for the relief of John Pastor.—Mr. McCleave.

Bill No. SD-147, for the relief of Margaret Dunn Hepburn Sanderson.—Mr. McCleave.

Bill No. SD-148, for the relief of Maurice Sykes Ward.—Mr. McCleave.

Bill No. SD-149, for the relief of Clark Alvin Graham.—Mr. McCleave.

Bill No. SD-150, for the relief of Noeleen Natalie Adams Lamond.—Mr. McCleave.

Bill No. SD-151, for the relief of Harry Gillman.—Mr. McCleave.

Bill No. SD-152, for the relief of John Philip Bowers.—Mr. McCleave.

Bill No. SD-153, for the relief of Carl August Christensen.—Mr. McCleave.

Bill No. SD-154, for the relief of Barbara Joan Marsh Wolfe.—Mr. McCleave.

Bill No. SD-155, for the relief of Barbara Ann Tuppen McIntosh.—Mr. McCleave.

Bill No. SD-14, for the relief of Enid Grace Pascoe Dawson.—Mr. McCleave.

Bill No. SD-27, for the relief of Helen Kurtzman Bernard.—Mr. McCleave.

Bill No. SD-29, for the relief of Evelyn Annie Macleod Vaillancourt.—Mr. McCleave.

Bill No. SD-33, for the relief of John Thomas Francis White.—Mr. McCleave.

Bill No. SD-36, for the relief of Omer Therrien.—Mr. McCleave.

Bill No. SD-37, for the relief of Helen Elisabeth Millar Ramshaw.—Mr. McCleave.

Bill No. SD-40, for the relief of Larry Orsa. —Mr. McCleave.

Bill No. SD-156, for the relief of Dorcina Doris Dubuc Clark.—Mr. McCleave.

Bill No. SD-157, for the relief of Gerald Healy.—Mr. McCleave.

Bill No. SD-158, for the relief of Marlene May Myles Robinson.—Mr. McCleave.

Bill No. SD-159, for the relief of Phyllis Louise Clements Harris.—Mr. McCleave.

Bill No. SD-160, for the relief of Anne Olivia Sinclair Fuller.—Mr. McCleave.

Bill No. SD-161, for the relief of Viola Mabel Stead Cole.—Mr. McCleave.

Bill No. SD-162, for the relief of Patricia Ann Shirley Howell.—Mr. McCleave.

Bill No. SD-163, for the relief of Lillian Juanita Sheppard Simpson.—Mr. McCleave.

Bill No. SD-164, for the relief of Ivy Winifred Grace Arthur Birks.—Mr. McCleave.

Bill No. SD-165, for the relief of Barbara Ruth Aird Barwick.—Mr. McCleave.

Bill No. SD-166, for the relief of Diane M. L. Turner Hammond.—Mr. McCleave.

Bill No. SD-167, for the relief of Dorothy Craven Masse Perrett.—Mr. McCleave.

Bill No. SD-168, for the relief of Helen Landau Shuster.—Mr. McCleave.

Bill No. SD-169, for the relief of Fagy Litner Selinger.—Mr. McCleave.

Bill No. SD-170, for the relief of Pearl Shedlack Dubin Birnbaum.—Mr. McCleave.

Bill No. SD-171, for the relief of Joseph Szczepanski.—Mr. McCleave.

Bill No. SD-172, for the relief of Magdalena Beata Landau Weissler.—Mr. McCleave.

Bill No. SD-173, for the relief of Frantisek Sladek.—Mr. McCleave.

Bill No. SD-174, for the relief of Kathleen Beatrice Title Levy.—Mr. McCleave.

Bill No. SD-175, for the relief of Helen Caroline Coleman Lewchuk.—Mr. McCleave.

Bill No. SD-176, for the relief of Marie Paule Andree Mercier Rowney.—Mr. McCleave.

Bill No. SD-178, for the relief of Beatrice Jean Madsen Rockburn.—Mr. McCleave.

Bill No. SD-179, for the relief of Emma Strachan MacInnes Creery.—Mr. McCleave.

Bill No. SD-180, for the relief of Vira (Vera) Kotyk Marsden.—Mr. McCleave.

Bill No. SD-181, for the relief of Shashi Kumar Pande.—Mr. McCleave.

Bill No. SD-182, for the relief of Ethel Georgina Pottle Pallen.—Mr. McCleave.

Bill No. SD-183, for the relief of Marilyn Shendelman Kagan.—Mr. McCleave.

Bill No. SD-184, for the relief of Joseph Henri Marcel Vinet.—Mr. McCleave.

Bill No. SD-185, for the relief of Martha Dammel Reiche Domnauer.—Mr. McCleave.

Bill No. SD-186, for the relief of June Isabella Adamson Hogan.—Mr. McCleave.

Bill No. SD-187, for the relief of Wincenty Strzelczyk.—Mr. McCleave.

Bill No. SD-188, for the relief of Janina Rodzoch Nowak.—Mr. McCleave.

Bill No. SD-189, for the relief of Margaret Ruth McLellan Kennedy.—Mr. McCleave.

Bill No. SD-190, for the relief of Hazel Ina McEwing Hickey.—Mr. McCleave.

Bill No. SD-191, for the relief of Marie Marthe Alberta Ladouceur Parenteau.—Mr. McCleave.

Bill No. SD-192, for the relief of Olga Gokler Crisan.—Mr. McCleave.

Bill No. SD-193, for the relief of George Graham Thresh.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-194, for the relief of Joseph Arthur Porcheron.—Mr. McCleave.

Bill No. SD-195, for the relief of Paul Drolet Massue.—Mr. McCleave.

Bill No. SD-196, for the relief of David Byrne Kieran.—Mr. McCleave.

Bill No. SD-197, for the relief of Nina Finkelstein Anshell.—Mr. McCleave.

Bill No. SD-198, for the relief of Joseph Leo Roger Latendresse.—Mr. McCleave.

Bill No. SD-199, for the relief of Norma Rosalie Parsons Turgeon.—Mr. McCleave.

Bill No. SD-200, for the relief of Maria Reichinger Lehnen.—Mr. McCleave.

Bill No. SD-202, for the relief of Rose Mary Dubeau Pietrinferno.—Mr. McCleave.

Bill No. SD-203, for the relief of Daniel Edward Napasney.—Mr. McCleave.

Bill No. SD-204, for the relief of Pauline Mary Ann Irene Patry Gaudreau.—Mr. McCleave.

Bill No. SD-205, for the relief of Rose Ella Katherelos Parry.—Mr. McCleave.

Bill No. SD-206, for the relief of Gwendolyn Marion Mizener Nassif.—Mr. McCleave.

Bill No. SD-207, for the relief of Joseph Ernest Coutu.—Mr. McCleave.

Bill No. SD-208, for the relief of Joseph Henri Berube.—Mr. McCleave.

Bill No. SD-209, for the relief of Maria Hocheder Weber.—Mr. McCleave.

Bill No. SD-210, for the relief of Sherrill Ordidge Glandsdorp.—Mr. McCleave.

Bill No. SD-211, for the relief of Bronislaw Kulawik.—Mr. McCleave.

Bill No. SD-212, for the relief of Pauline Sornin Barrett.—Mr. McCleave.

Bill No. SD-213, for the relief of Sandra Maxine Shoore Sheydwasser.—Mr. McCleave.

Bill No. SD-214, for the relief of Margaret Maclaren Harris.—Mr. McCleave.

Bill No. SD-215, for the relief of Irmgard Poikonen Horvath.—Mr. McCleave.

Bill No. SD-216, for the relief of Estelle Labelle Baxter Robertson.—Mr. McCleave.

Bill No. SD-217, for the relief of Alphonse Yared.—Mr. McCleave.

Bill No. SD-218, for the relief of Andre Lamothe.—Mr. McCleave.

Bill No. SD-219, for the relief of Rita Hamel Labranche.—Mr. McCleave.

Bill No. SD-220, for the relief of Lionel Boucher.—Mr. McCleave.

Bill No. SD-221, for the relief of Eliza Boudreau Filion.—Mr. McCleave.

Bill No. SD-222, for the relief of William Leslie Baillie.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-223, for the relief of Pauline Handji Edelstein.—Mr. McCleave.

Bill No. SD-224, for the relief of Molly Brenda Stein Butterman.—Mr. McCleave.

Bill No. SD-225, for the relief of Laurette Biron Valade.—Mr. McCleave.

Bill No. SD-226, for the relief of Viviane Hirsch Montmartin Gabois.—Mr. McCleave.

Bill No. SD-227, for the relief of Grace Kara Forshaw.—Mr. McCleave.

Bill No. SD-228, for the relief of Gloria Helene Stotland Titleman.—Mr. McCleave.

Bill No. SD-229, for the relief of Armand Simeon Lavictoire.—Mr. McCleave.

Bill No. SD-230, for the relief of Audrey Mary Crosbie Morris.—Mr. McCleave.

Bill No. SD-232, for the relief of Ruth Irene Diakur Mendel.—Mr. McCleave.

Bill No. SD-233, for the relief of Florence Beryl Kellam Weinstein.—Mr. McCleave.

Bill No. SD-234, for the relief of Marie Esteie Caprari.—Mr. McCleave.

Bill No. SD-235, for the relief of Olive Bowes Schofield. —Mr. McCleave.

Bill No. SD-236, for the relief of Jeanne Beauchemin Arpin.—Mr. McCleave.

Bill No. SD-237, for the relief of Jean Claude Bilodeau.—Mr. McCleave.

Bill No. SD-238, for the relief of Robert George Butler—Mr. McCleave.

Bill No. SD-239, for the relief of Helen Harpes Avon.—Mr. McCleave.

Bill No. SD-240, for the relief of Sonia Slovsky Coppel.—Mr. McCleave.

Bill No. SD-241, for the relief of Shirley Huberman Schreiber.—Mr. McCleave.

Bill No. SD-242, for the relief of Paulette Goldberg Slepp.—Mr. McCleave.

Bill No. SD-243, for the relief of Richard Austin Evans.—Mr. McCleave.

Bill No. SD-244, for the relief of Marion Mary Treen Frosst.—Mr. McCleave.

Bill No. SD-245, for the relief of Joyce Mary Whiteman Rogers.—Mr. McCleave.

Bill No. SD-246, for the relief of Vera Arlene Perry Locke.—Mr. McCleave.

Bill No. SD-247, for the relief of Beatriki Bourboulis Angelidis.—Mr. McCleave.

Bill No. SD-248, for the relief of Jessie Margaret Cross Joly.—Mr. McCleave.

Bill No. SD-249, for the relief of Guy Labrosse.—Mr. McCleave.

Bill No. SD-250, for the relief of Joyce Agnes Catherine Wilkinson Greenwood.—Mr. McCleave.

Bill No. SD-251, for the relief of Jacques Cormier.—Mr. McCleave.

Bill No. SD-252, for the relief of Mary Lorraine Little Copping.—Mr. McCleave.

Bill No. SD-253, for the relief of Sylvia Trachimovsky Fox.—Mr. McCleave.

Bill No. SD-254, for the relief of Kathleen Shannon Keene.—Mr. McCleave.

Bill No. SD-255, for the relief of Jean Elizabeth MacCuaig Vinters.—Mr. McCleave.

Bill No. SD-256, for the relief of Lucy Sekora Budnik.—Mr. McCleave.

Bill No. SD-257, for the relief of Joyce Middlehurst Walker.—Mr. McCleave.

Bill No. SD-258, for the relief of Patricia Shirley Rydberg Menzies.—Mr. McCleave.

Bill No. SD-259, for the relief of Real Blier.—Mr. McCleave.

Bill No. SD-260, for the relief of Viola Elsie Ann Johnson Anderson.—Mr. McCleave.

Bill No. SD-261, for the relief of Margis Wellisch Ruszugar Hancz.—Mr. McCleave.

Bill No. SD-262, for the relief of Janina Lukaszewicz Soloducha.—Mr. McCleave.

Bill No. SD-263, for the relief of Arthur Woodbridge Dale.—Mr. McCleave.

Bill No. SD-264, for the relief of Maria Jacoba Arens Mannens.—Mr. McCleave.

Bill No. SD-265, for the relief of Gerard Henri Turgeon.—Mr. McCleave.

Bill No. SD-266, for the relief of Nancy Jane Wyllie Wood Aylwin.—Mr. McCleave.

Bill No. SD-267, for the relief of Yves Brodeur. —Mr. McCleave.

Bill No. SD-268, for the relief of James Joseph Sceviour.—Mr. McCleave.

Bill No. SD-269, for the relief of Leon Zygowski.—Mr. McCleave.

Bill No. 270, for the relief of Neeltje Doruitjer Van der Spoel.—Mr. McCleave.

Bill No. SD-271, for the relief of Paul L'Heureux.—Mr. McCleave.

Bill No. SD-272, for the relief of Joseph Daniel Bernardin Daigle.—Mr. McCleave.

Bill No. SD-274, for the relief of Eileen Williams Gushue.—Mr. McCleave.

Bill No. SD-275, for the relief of Jean Eleanor Jackson Connell.—Mr. McCleave.

Bill No. SD-276, for the relief of George Henry Basil.—Mr. McCleave.

Bill No. SD-277, for the relief of Eileen Kathleen Astley Craig.—Mr. McCleave.

Bill No. SD-278, for the relief of Edith Tobat Heinemann.—Mr. McCleave.

Bill No. SD-279, for the relief of Davis Zave Garmaise.—Mr. McCleave.

Bill No. SD-280, for the relief of Marie Frederique Raphaelle Mireille Fortier Kingsbury.—Mr. McCleave.

Bill No. SD-281, for the relief of Franko (Franz) Stapinskyj.—Mr. McCleave.

Bill No. SD-282, for the relief of Eva Facey Lund.—Mr. McCleave.

Bill No. SD-283, for the relief of Joan Dunn Ostrosky.—Mr. McCleave.

Bill No. SD-284, for the relief of Teresa Greco Caputo.—Mr. McCleave.

Bill No. SD-285, for the relief of William Pinkerton.—Mr. McCleave.

Bill No. SD-286, for the relief of Frank David Cousens.—Mr. McCleave.

Bill No. SD-287, for the relief of Denise Baril Sarrazin.—Mr. McCleave.

Bill No. SD-288, for the relief of Wassily de Krokhaleff.—Mr. McCleave.

Bill No. SD-289, for the relief of Henriette Rioux Beaupre.—Mr. McCleave.

Bill No. SD-290, for the relief of Lillian Olive Robertson Reinhold.—Mr. McCleave.

Bill No. SD-140, for the relief of Marie Rose Lucette Durocher Di Iorio.—Mr. McCleave.

Bill No. SD-231, for the relief of Joyce Tabah Tomy.—Mr. McCleave.

Bill No. SD-102, for the relief of Georges Delrue.—Mr. McCleave.

Bill No. SD-177, for the relief of Alexander Leslie Mittler.—Mr. McCleave.

Bill No. SD-291, for the relief of Myrtle Gertrude Lily Molloy Heany.—Mr. McCleave.

Bill No. SD-292, for the relief of Kathleen Margaret Sinclair McKenna Roberts.—Mr. McCleave.

Bill No. SD-293, for the relief of Marion Toba Wolfe Cohen Shapiro.—Mr. McCleave.

Bill No. SD-294, for the relief of Marie Lucille Simone David Raymond.—Mr. McCleave.

Bill No. SD-295, for the relief of Otto James Kerr.—Mr. McCleave.

Bill No. SD-296, for the relief of James Justin Sims.—Mr. McCleave.

Bill No. SD-297, for the relief of Sylvia Overland Katz.—Mr. McCleave.

Bill No. SD-298, for the relief of Blanche Brigitte Paulette Gagne Joly.—Mr. McCleave.

Bill No. SD-299, for the relief of Carmel Duguay Mitchell.—Mr. McCleave.

Bill No. SD-300, for the relief of Catherine Maureen Kelly Mavor.—Mr. McCleave.

Bill No. SD-301, for the relief of Marie Ruland Reutter.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-302, for the relief of Joseph Louis Victor Dupere.—Mr. McCleave.

Bill No. SD-303, for the relief of Rose Polivka De Bom.—Mr. McCleave.

Bill No. SD-304, for the relief of Vernis Clifton Christie.—Mr. McCleave.

Bill No. SD-305, for the relief of Thomas Edward Imbleau.—Mr. McCleave.

Bill No. SD-306, for the relief of Jean Guy Cardinal.—Mr. McCleave.

Bill No. SD-307, for the relief of Marie Mathilde Charlotte Boisjoli Dore.—Mr. McCleave.

Bill No. SD-308, for the relief of David Lloyd Tune.—Mr. McCleave.

Bill No. SD-309, for the relief of Sybil Fenster Shaicavitch.—Mr. McCleave.

Bill No. SD-210, for the relief of Lynda Marjorie Cowell Smith.—Mr. McCleave.

Bill No. SD-311, for the relief of Alois Zisser.—Mr. McCleave.

Bill No. SD-312, for the relief of Stanley Sepchuk.—Mr. McCleave.

Bill No. SD-313, for the relief of Nadine Tudor Labreche.—Mr. McCleave.

Bill No. SD-314, for the relief of Robert Gordon Stitt.—Mr. McCleave.

Bill No. SD-315, for the relief of Philippa Jane Hutchins Tanton.—Mr. McCleave.

Bill No. SD-316, for the relief of Julianna Barna Nadasdi.—Mr. McCleave.

Bill No. SD-317, for the relief of Franciszek (Frank) Wyspianski.—Mr. McCleave.

Bill No. SD-318, for the relief of Mary (Moira) Steel Taylor Maddison-Roberts.—Mr. McCleave.

Bill No. SD-319, for the relief of Marie Evelyn Lindsay Slade.—Mr. McCleave.

Bill No. SD-321, for the relief of Joseph Armand Dube.—Mr. McCleave.

Bill No. SD-322, for the relief of Margaret Elizabeth Perkins Petrachuk.—Mr. McCleave.

Bill No. SD-323, for the relief of Istvan Horvath.—Mr. McCleave.

Bill No. SD-324, for the relief of Kathleen Margaret Manchios Kotsos.—Mr. McCleave.

Bill No. SD-325, for the relief of Peter Zeppetini.—Mr. McCleave.

Bill No. SD-326, for the relief of Jean Louis Beaudet.—Mr. McCleave.

Bill No. SD-327, for the relief of Antoni Kubowicz.—Mr. McCleave.

Bil No. SD-328, for the relief of Georg Zechanowitsch.—Mr. McCleave.

Bill No. SD-329, for the relief of Sonia Kwas Cada.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-330, for the relief of Stanislaw Wroblewski.—Mr. McCleave.

Bill No. SD-331, for the relief of Jean Ednah Hiltz Dewey.—Mr. McCleave.

Bill No. SD-332, for the relief of Vera Jarvis Lahaye.—Mr. McCleave.

Bill No. SD-333, for the relief of Claire Marie Marchand McGuinness.—Mr. McCleave.

Bill No. SD-334, for the relief of Marie Denise Theberge Duguay.—Mr. McCleave.

Bill No. SD-335, for the relief of Marie Rita Desneiges Trepanier Pelchat.—Mr. McCleave.

Bill No. SD-336, for the relief of Darrell Ashley Conner.—Mr. McCleave.

Bill No. SD-337, for the relief of Gladys Florida Allard Chenier.—Mr. McCleave.

Bill No. SD-338, for the relief of Sonia Floomberg Schaffer.—Mr. McCleave.

Bill No. SD-339, for the relief of Alice Marylyn Archibald Warren Wornell.—Mr. McCleave.

Bill No. SD-340, for the relief of Doris Miller Burke.—Mr. McCleave.

Bill No. SD-342, for the relief of Monica Carolyn Nolan McCullough.—Mr. McCleave.

Bill No. SD-343, for the relief of Aime Albert.—Mr. McCleave.

Bill No. SD-344, for the relief of Renee Helen Engel Graham.—Mr. McCleave.

Bill No. SD-345, for the relief of Florian Poissant.—Mr. McCleave.

Bil No. SD-346, for the relief of Mary Kathleen Potts (Wittingham) Barretta.—Mr. McCleave.

Bill No. SD-347, for the relief of George Herbert Bissessar.—Mr. McCleave.

Bill No. SD-348, for the relief of Leslie Robert Stickles.—Mr. McCleave.

Bill No. SD-349, for the relief of Philippe Simard.—Mr. McCleave.

Bill No. SD-350, for the relief of Estelle Caroline Lohnes Antilla.—Mr. McCleave.

Bill No. SD-351, for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.—Mr. McCleave.

Bill No. SD-352, for the relief of Andree Edmonde Augusta Fontaine Barriere.—Mr. McCleave.

Bill No. SD-353, for the relief of Eleanor Jean Mott Taylor.—Mr. McCleave.

Bill No. SD-354, for the relief of Rose Van Embden Singer.—Mr. McCleave.

Bill No. SD-355, for the relief of Jack Emile Chiarella.—Mr. McCleave.

Bill No. SD-357, for the relief of Gerald Onie Shannon.—Mr. McCleave.

Bill No. SD-358, for the relief of Percival Verna Nathan.—Mr. McCleave.

Bill No. SD-359, for the relief of Valerie Elsie Price Perrault.—Mr. McCleave.

Bill No. SD-360, for the relief of Joseph Edmond Giroux.—Mr. McCleave.

Bill No. SD-361, for the relief of Allen Dwight Westover.—Mr. McCleave.

Bill No. SD-362, for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.—Mr. McCleave.

Bill No. SD-363, for the relief for Claire Ruth Rubins Lyons.—Mr. McCleave.

Bill No. SD-364, for the relief of Stanislaw Przybyla.—Mr. McCleave.

Bill No. SD-365, for the relief of Ian Church Wood.—Mr. McCleave.

Bill No. SD-366, for the relief of Marie Hariette Claudette Boisvert Beaudry.—Mr. McCleave.

Bill No. SD-367, for the relief of Arthur Edward Parker.—Mr. McCleave.

Bill No. SD-368, for the relief of Owen John Lummis.—Mr. McCleave.

Bill No. SD-369, for the relief of Ronald Norman Hogg.—Mr. McCleave.

Bill No. SD-370, for the relief of Roy Walter Williams.—Mr. McCleave.

Bill No. SD-371, for the relief of Barbara Doris Jennings Fitzgerald.—Mr. McCleave.

Bill No. SD-372, for the relief of Christine Nancy Littleton Cohen.—Mr. McCleave.

Bill No. SD-373, for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.—Mr. McCleave.

Bill No. SD-374, for the relief of Kazimierz Romanowski.—Mr. McCleave.

Bill No. SD-375, for the relief of Norma Katherine MacDonald McLean.—Mr. McCleave.

Bill No. SD-376, for the relief of Diane Hawkins Edler.—Mr. McCleave.

Bill No. SD-377, for the relief of Marcel Pouliot.—Mr. McCleave.

Bill No. SD-378, for the relief of Gisele Raymond Vallee.—Mr. McCleave.

Bill No. SD-379, for the relief of Madeleine Arbour Gauvreau.—Mr. McCleave.

Bill No. SD-380, for the relief of Pierre Frederic Bruneau.—Mr. McCleave.

Bill No. SD-381, for the relief of Nancy Virginia Webster Canning.—Mr. McCleave.

Bill No. SD-382, for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.—Mr. McCleave.

Bill No. SD-383, for the relief of Jean Paul Alfred Lebel.—Mr. McCleave.

Bill No. SD-384, for the relief of Bernice Ellis Biltis.—Mr. McCleave.

Bill No. SD-385, for the relief of Evagelia Karidi Tsitsos.—Mr. McCleave.

Bill No. SD-386, for the relief of Barbara Raphael Salomon.—Mr. McCleave.

Bill No. SD-387, for the relief of Richard Denis Giblin.—Mr. McCleave.

Bill No. SD-388, for the relief of Fanny Hussey Baggs.—Mr. McCleave.

Bill No. SD-390, for the relief of Paul Emile Raymond.—Mr. McCleave.

Bill No. SD-391, for the relief of Doris Mary Luxford Devenish.—Mr. McCleave.

Bill No. SD-392, for the relief of Beulah Benford Brown Lawrence.—Mr. McCleave.

Bill No. SD-393, for the relief of Kathleen Walsh Cohan.—Mr. McCleave.

Bill No. SD-394, for the relief of Francis Whiting Clark—Mr. McCleave.

Bill No. SD-396, for the relief of Joan Shirley Davies Herscovitch.—Mr. McCleave.

Bill No. SD-397, for the relief of Eugena Grandmont Ladouceur.—Mr. McCleave.

Bill No. SD-398, for the relief of Ivy Helen Gentles Bell Pull.—Mr. McCleave.

Bill No. SD-399, for the relief of Herve Vaillancourt.—Mr. McCleave.

Bill No. SD-400, for the relief of Madeleine Hermine Kelen Endrenyi.—Mr. McCleave.

Bill No. SD-401, for the relief of Marie Jeannine Andree Boisclair Lafrance.—Mr. McCleave.

Bill No. SD-402, for the relief of Peter Eric Bray.—Mr. McCleave.

Bill No. SD-403, for the relief of Gerard Lafond.—Mr. McCleave.

Bill No. SD-404, for the relief of Jessie Davis Hill.—Mr. McCleave.

Bill No. SD-405, for the relief of Grace Ruth Goldenberg Goldberg.—Mr. McCleave.

Bill No. SD-406, for the relief of Elsie Mae Freake Vardy.—Mr. McCleave.

Bill No. SD-407, for the relief of Gisele Fortin St-Laurent.—Mr. McCleave.

Bill No. SD-408, for the relief of Pauline Anne Elizabeth Cunliffe Hebb.—Mr. McCleave.

Bill No. SD-409, for the relief of Mary Violet Maloney Elm.—Mr. McCleave.

Bill No. SD-410, for the relief of Gilles Jacques.—Mr. McCleave.

Bill No. SD-411, for the relief of Bernice May Snow Oss.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-412, for the relief of Guy Grenier.—Mr. McCleave.

Bill No. SD-413, for the relief of Margaret Mary Ryan Girvan Hollett.—Mr. McCleave.

Bill No. SD-414, for the relief of Caroline Petryshyn Was.—Mr. McCleave.

Bill No. SD-415, for the relief of Rhonda Lee Petersen Butt.—Mr. McCleave.

Bill No. SD-416, for the relief of Alexandra Protonotarios Kingsland.—Mr. McCleave.

Bill No. SD-417, for the relief of Frances Theresa Smith MacDonald.—Mr. McCleave.

Bill No. SD-418, for the relief of Anna Soltysik Slawinski.—Mr. McCleave.

Bill No. SD-419, for the relief of Wera Podkopaewa Kraska.—Mr. McCleave.

Bll No. SD-420, for the relief of Ronald Mugford.—Mr. McCleave.

Bill No. SD-421, for the relief of Ida Denis Matte.—Mr. McCleave.

Bill No. SD-422, for the relief of Sterling Norman Woods.—Mr. McCleave.

Bill No. SD-423, for the relief of Mary Wolloch Vineberg.—Mr. McCleave.

Bill No. SD-424, for the relief of Lotte Wilhelmine Schwitzer Hornig.—Mr. McCleave.

Bill No. SD-425, for the relief of Margaret Clare Haigh Marshall.—Mr. McCleave.

Bill No. SD-426, for the relief of Claire Syrek Stolovitz.—Mr. McCleave.

Bill No. SD-427, for the relief of Lucien Dubuc.—Mr. McCleave.

Bill No. SD-428, for the relief of Aino Maria Leinonen Knudson.—Mr. McCleave.

Bill No. SD-429, for the relief of Mildred May Ghenender Greenspon.—Mr. McCleave.

Bill No. SD-430, for the relief of Gordon Lang Cheesbrough.—Mr. McCleave.

Bill No. SD-432, for the relief of Frida Rosen-Deutcher Falovitch.—Mr. McCleave.

Bill No. SD-433, for the relief of Elizabeth Giliaeff Jahn.—Mr. McCleave.

Bill No. SD-434, for the relief of Myrna Ada Webber Neiman.—Mr. McCleave.

Bill No. SD-435, for the relief of Ellery Gordon Duncan.—Mr. McCleave.

Bill No. SD-436, for the relief of Sarah Wolmann Rothman.—Mr. McCleave.

Bill No. SD-437, for the relief of Dragan Baljak.—Mr. McCleave.

Bill No. SD-438, for the relief of Glenda Ruth Warren Meades.—Mr. McCleave.

Bill No. SD-439, for the relief of Robert Hugh Parker.—Mr. McCleave.

Private Bills—Divorce

Bill No. SD-440, for the relief of Catherine Hetty Dawson Gilbert Cathcart.—Mr. McCleave.

Bill No. SD-441, for the relief of Sheila Alexandra Anderson Williams.—Mr. McCleave.

Bill No. SD-442, for the relief of Georges Justin Goeury.—Mr. McCleave.

Bill No. SD-443, for the relief of Gabrielle Labranche Bisaillon.—Mr. McCleave.

Bill No. SD-444, for the relief of Maurice Joseph Martel.—Mr. McCleave.

Bill No. SD-445, for the relief of Ula Geraldine Taylor Gauthier.—Mr. McCleave.

Bill No. SD-446, for the relief of Margaret Veronica Stacey Abraham.—Mr. McCleave.

Bill No. SD-447, for the relief of Colette Bauer Landau.—Mr. McCleave.

Bill No. SD-448, for the relief of Margot Buerling Zich.—Mr. McCleave.

Bill No. SD-449, for the relief of Barbara Helen Watson Coones.—Mr. McCleave.

Bill No. SD-450, for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy. —Mr. McCleave.

Bill No. SD-451, for the relief of Alphonse Taghon.—Mr. McCleave.

Bill No. SD-452, for the relief of Paul Morency.—Mr. McCleave.

Bill No. SD-453, for the relief of Mary Jean Frances Collins Park.—Mr. McCleave.

Bill No. SD-454, for the relief of Martine Simonne Georgette Krettly Lefebvre.—Mr. McCleave.

Bill No. SD-455, for the relief of Elizabeth Davis Reed.—Mr. McCleave.

Bill No. SD-42, for the relief of Brenda Mary Pardy Thacker.—Mr. McCleave.

Bill No. SD-44, for the relief of Lily Schucher Cohen.—Mr. McCleave.

Bill No. SD-45, for the relief of Anna Margaret Laurie Cannon Stevenson.—Mr. McCleave.

Bill No. SD-49, for the relief of Roger Vermette.—Mr. McCleave.

Bill No. SD-50, for the relief of Rose Vosko Ribkoff.—Mr. McCleave.

Bill No. SD-52, for the relief of John Gilbert Oakley.—Mr. McCleave.

Bill No. SD-26, for the relief of Julianna Catharina Mehilercsik Jutras.—Mr. McCleave.

Bill No. SD-28, for the relief of Barbara Jean Gillies Harris Cooke.—Mr. McCleave.

Bill No. SD-53, for the relief of Earl Bernard Lapierre.—Mr. McCleave.

Bill No. SD-55, for the relief of Marie Rose Nicola Lapenna McLaughlin.—Mr. McCleave.

Bill No. SD-456, for the relief of Raymond Faucher.—Mr. McCleave.

Bill No. SD-457, for the relief of Alexander Bleziotis.—Mr. McCleave.

Bill No. SD-458, for the relief of Ralph Gatis.—Mr. McCleave.

Bill No. SD-459, for the relief of Diana Elizabeth Wilson Ronalds.—Mr. McCleave.

Bill No. SD-460, for the relief of Parthenope Eftichidou Economou.—Mr. McCleave.

Bill No. SD-461, for the relief of John Edward Anderson.—Mr. McCleave.

Bill No. SD-462, for the relief of Claire Viger Marcil.—Mr. McCleave.

Bill No. SD-463, for the relief of Denise Claire Lescarbeau Sarroin.—Mr. McCleave.

Bill No. SD-464, for the relief of Carolyn Louise Atwood Leslie.—Mr. McCleave.

Bill No. SD-465, for the relief of Sophia Kaloutsky Kachur.—Mr. McCleave.

Bill No. SD-466, for the relief of Rosaire Armand Falardeau.—Mr. McCleave.

Bill No. SD-467, for the relief of Philippa Osler Day.—Mr. McCleave.

Bill No. SD-468, for the relief of Mary Rebecca Pittman Lawrence.—Mr. McCleave.

Bill No. SD-469, for the relief of Frances Cohen Salsky.—Mr. McCleave.

Bill No. SD-470, for the relief of Shirley Edith Rich Henry.—Mr. McCleave.

Bill No. SD-471, for the relief of Helene Lepine Greig.—Mr. McCleave.

Bill No. SD-472, for the relief of Marion Adelaide Smith Berube.—Mr. McCleave.

Bill No. SD-473, for the relief of Sheila Ethel Mitchell Martin.—Mr. McCleave.

Bill No. SD-474, for the relief of Margaret Hunt Tibbo.—Mr. McCleave.

Bill No. SD-475, for the relief of Simone Laramee Desroches.—Mr. McCleave.

Bill No. SD-476, for the relief of Ethel Bannister Thomas.—Mr. McCleave.

Bill No. SD-477, for the relief of Leo Antonio Gianfrancesco.—Mr. McCleave.

Bill No. SD-478, for the relief of Mary Spalton Humphries.—Mr. McCleave.

Bill No. SD-480, for the relief of Nicola Salvatore Veri.—Mr. McCleave.

Bill No. SD-481, for the relief of Noreen Elizabeth Cassidy Pineo.—Mr. McCleave.

Bill No. SD-482, for the relief of Marie Therese Barolet Cayer.—Mr. McCleave.

Bill No. SD-483, for the relief of Iris Nellie Armstrong Wedge.—Mr. McCleave.

Bill No. SD-484, for the relief of Lucien Carbonneau.—Mr. McCleave.

Bill No. SD-485, for the relief of Peter Borbely.—Mr. McCleave.

Bill No. SD-486, for the relief of Joseph Pierre Claude Aubin.—Mr. McCleave.

Bill No. SD-487, for the relief of Vladimir Ignatjev.—Mr. McCleave.

Bill No. SD-61, for the relief of Donna Lois Marchand Silverman.—Mr. McCleave.

Bill No. SD-201, for the relief of Marie Cécile Léda Vezeau Léger.—Mr. McCleave.

Bill No. SD-273, for the relief of Giovanna Intini Mancuso.—Mr. McCleave.

Bill No. SD-356, for the relief of Elaine Louise Robinson Solkin.—Mr. McCleave.

Bill No. SD-389, for the relief of Lambly Dorothy Audrey Hage Lambert.—Mr. McCleave.

Bill No. SD-431, for the relief of Charles Guy Comeau.—Mr. McCleave.

Bill No. SD-320, for the relief of Elsa Faiga Manace Grossman.—Mr. McCleave.

Bill No. SD-488, for the relief of Elizabeth Fairnington Gaul.—Mr. McCleave.

Bill No. SD-489, for the relief of Rolande Mercier Perreault.—Mr. McCleave.

Bill No. SD-490, for the relief of France Andree Joly Smith.—Mr. McCleave.

Bill No. SD-491, for the relief of Marcelle Schipper Brian.—Mr. McCleave.

Bill No. SD-492, for the relief of Norman Edward Fulford—Mr. Mandziuk.

Bill No. SD-34, for the relief of Helene Frances Estelle Kearney Freeman.—Mr. McCleave.

Mr. McCleave: Mr. Speaker, perhaps the house would bear with me for ten more seconds. The committee wound up rather rapidly and I did not have an opportunity to express to our clerk, Mr. Slack, and to Dr. Ollivier, our counsel, the heartfelt thanks of the committee, and perhaps I can put these on record now.

FINANCE

PROVISION FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved the second reading of Bill No. C-13, respecting the printing of negotiable instruments in the English and the French languages.

He said:

(Translation):

Mr. Speaker, this bill is one of the shortest that has ever been submitted to the House of Commons. Yet, its importance is in inverse ratio to its brevity, because all Canadians are personally affected by its provisions. By submitting it to the attention of my fellow members, I have no other intention than to ask them to confirm, by act of parliament, the unqestionable and recognized principle of bilingualism in Canada. There is nothing utopian or merely academic about this bilingualism. It is the very definite expression of our bi-ethnical heritage, whose traditions are welded into a single cultural unit in making up the structure and fostering the spirit of our Canadian civilization.

Therefore, Mr. Speaker, I should be very happy if the house would approve this bill.

(Text):

Mr. A. R. Webster (St. Antoine-Westmount): Mr. Speaker, it is not often I have an opportunity to speak on Bill No. C-13, respecting the printing of negotiable instruments in the English and the French languages. I come from a section of the country where, as far as my constituency is concerned, about 90 per cent of the people speak English and possibly 10 per cent speak French. We get along very well with the 10 per cent French, and I hope they get along just as well with the 90 per cent English.

We have everything bilingual down there. Even the street car transfers, the tickets, the road signs, the menus; everything is printed in both languages. Therefore I think it would be a great opportunity and a good move to print negotiable instruments in the two languages. I cannot see any harm that that could do. When the majority of the people get a cheque they are not interested in what language it is printed in; all they want to know is the amount. It would not obligate the government to undertake any great expense when sending in cheques to the Queen's printer for printing to add another line. I would recommend that this bill be given consideration and passed. I do not think there is a single hon. member of this house who is not in favour of bilingualism. It is recognized by act of parliament of the province of Quebec and it is provided for in the British North America Act, and I think if the government is going to acknowledge this fact we should go ahead and pass this bill.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, on two occasions. I had the opportunity to submit a bill similar to that which is moved today by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). As a matter of fact, Bill C-15, which we shall take up after this one, has been put on the order paper in my name. Therefore, I cannot but unreservedly approve this bill.

I need not repeat what I already stated twice during the sessions of 1957 and 1958. I merely want to say again, as did the hon. member for St. Antoine-Westmount (Mr. Webster), that this proposal has our unqualified approval.

I therefore ask hon. members not to draw out the discussion, so that we may enjoy those bilingual papers as soon as possible.

(Text):

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, this is a bill that has come before this house in the same or similar form on a number of occasions, and to me it represents a very laudable objective. The riding of St. Lawrence-St. George which I represent is about 35 per cent composed of those of the French language. In that constituency and in the city of Montreal in which it is situated we have always recognized the principle of bilingualism. As the hon. member for St. Antoine-Westmount (Mr. Webster) has said, our street signs and practically everything of a public nature that is published in that area are done so in the two languages. Since this parliament was elected we in this House of Commons have given further recognition to the principle of bilingualism by introducing the simultaneous translation system. Some years ago the printed money of this country was changed from being printed solely in English to being printed in both languages. Even in those constituencies where the French language is not used, where possibly there are few if any whose mother tongue is French, I do not think anyone refuses to take paper money because it is printed in both French and English. For many years now I think we have accepted the principle that in this country we have two main compositions of our population, those whose origins are connected with the French language and those whose origins are connected with the English language. I think it has also been accepted that no man should be discriminated against because he is able to speak only one of those two languages.

From my own point of view, I think it very desirable that as many Canadians as possible should be able to speak and understand both languages. Nevertheless, it is not for us to say that because a Canadian citizen is born of French speaking parents and brought up in a part of the country where there may not be too much opportunity to learn and practise the English language he should, particularly in the case of official instruments such as cheques, drafts and so on, which are mentioned in this bill, possibly be put in the position of not fully understanding the kind of document that he is dealing with. It may be said by those of other views that the cheques which are issued today are pretty well always cashed no matter what language they are written in but I do not think this is a sound argument.

We accepted the principle of this bill when we printed the paper money in both languages. We have accepted the principle of bilingualism in this house and this it seems to me is merely removing one of the last anomalies that exist in our system when it comes to the recognition of bilingualism.

(Translation):

Mr. Speaker, I want to commend the hon. member who has introduced this bill and to assure him that I wholeheartedly support the purpose intended, i.e. establishing the principle of bilingualism in that field.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, like several other members of this house, I represent a constituency composed of both French speaking and English speaking citizens.

The house will no doubt allow me to tell of an historical fact relating to my constituency. At the time of my early youth, most people in the constituency of Brome-Missisquoi were English-speaking, as in several communities in the eastern townships. Today, the situation is reversed, and I now have the honour to represent in this house an electoral district where 75 per cent of the people are French-speaking.

The people of my constituency realize that, under the capable leadership of the right hon. Prime Minister (Mr. Diefenbaker), the Progressive Conservative party is genuinely that of national unity.

As pointed out by the hon. member for St. Lawrence-St. George (Mr. Chambers), already we have established in this house the simultaneous interpretation system; our party has thus confirmed the words of Macdonald and Cartier who said that two languages constituted the real glory and strength of our country.

As several other members have stated, bilingualism is an accomplished fact in our country, and like previous speakers, I take pleasure in congratulating the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) for introducing this bill.

(Text):

It gives me much pleasure, Mr. Speaker, to rise in my place this afternoon and support the bill presented to this house by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). Since I represent a riding which is predominantly French speaking it is a great pleasure for me, as I say, to support this bill. Our party, under the direction of

the Right Hon. Prime Minister (Mr. Diefenbaker) is certainly the party which has done more in the past years to cement the true spirit of national unity than has ever been done before. As we all know—and it has been mentioned many times in this house—the spirit of bilingualism has already been admitted—it does not have to be admitted, it has been emphasized—by the fact that we have put in a simultaneous translation system. If I understand correctly, this system is possibly going to be extended into other areas of our parliamentary life. As has already been said, all hon. members admit and feel most strongly that this bill, which has to do with general cheques and drafts, should command the hearty support of all hon. members.

I should like to repeat in English what I have just said in French. When I was a boy—and I was born in 1928—the district of Brome-Missisquoi was more predominantly English speaking, like many areas of the eastern townships. Today, also like many areas of the eastern townships, such is not the case. I have the honour to represent in this House of Commons a district which is predominantly—I would say approximately 75 per cent—French speaking and therefore, I repeat, it is a great pleasure for me to support this bill. I am proud to say and voice in this chamber that we have a very high percentage of bilingualism in my constituency. I am proud of my constituents. I think of towns like Cowansville, Bedford, Farnham, Sutton, Knowlton and many others where both languages are spoken perfectly. When you hear them speaking English you might think their mother tongue was English and when you hear them speaking French you might think their mother tongue was French. Therefore, Mr. Speaker, the spirit of bilingualism is more than an intellectual proposition in my constituency. It is something that is deeply believed in and deeply felt. I feel I have a very strong mandate to support the bill now before the house.

It was the spirit of Macdonald and Cartier in 1867 that brought about the union of two great races and two great languages to form the glory and the force of our country. Time and time again the Prime Minister has made that clear from the Atlantic to the Pacific. Today we see these unifying forces. Today that message means two great languages and two great cultures as well as many other groups. I think particularly of people in western and central Canada who have come there from far distant lands to form part of the glory and force of Canada today. The spirit of Cartier and Macdonald, today, as symbolized by the Prime Minister, includes people whose ethnic origins are in many distant lands.

No matter what constituency they represent, I think that most hon. members will feel strongly that they can support this measure. As I said before, it deals generally with cheques, drafts and other such instruments. As the hon. member for St. Antoine-Westmount (Mr. Webster) said, I do not think it will cause too much administrative difficulty in printing such documents.

(Translation):

Mr. Speaker, as member for Brome-Missisquoi, it is with great pleasure that I support this bill, which is of paramount importance. I take this opportunity to congratulate the hon. member for Joliette-L'Assomption-Montcalm.

(Text):

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I welcome the opportunity to speak on this measure and also welcome the fact that during this hour on Tuesday and Friday we have been allowed again to discuss something other than divorce. Now that the C.C.F. closure action has been lifted—

Mr. Speaker: Order.

Mr. McGee: —I am happy to contribute a few words in support of the principle of the bill. The hon. member for St. Lawrence-St. George (Mr. Chambers) and the hon. member for Brome-Missisquoi (Mr. Grafftey) have my admiration and respect both for the views they have expressed in support of the bill and for the great facility with which they switch from one language to another.

It was my good fortune to be born in an area which was bilingual in nature. About half the young boys I grew up with were French speaking and the other half English speaking. One of the great regrets of my life is that I did not take advantage of the opportunity afforded to me at that time in my life to become fluent in the French language. It is a well known fact in educational circles that the learning of another language comes most easily to a person in his early years. Unfortunately for me the method of communication we worked out was that those of us who spoke English spoke that language and the other half of the gang spoke French. While each group developed some ability to understand the other I regret that, typically, those of us who spoke English did not put forth the same effort and were not as successful in obtaining a like degree of bilingualism.

Whether one is a member of the House of Commons, a lawyer, a doctor, a businessman or engaged in any occupation in any area of this country, it is a tremendous advantage to a person to be bilingual. My constituency has very few French speaking

persons. However, I am happy to say that particularly in recent years, considerable discussion has been going on in different school board groups about taking the initiative and advocating the teaching of oral French in the lower grades of the public and separate schools. From my own experience I would say that any person engaged in business in Canada today, particularly a person from Toronto, would find it would be a tremendous advantage to be fluent in both languages. While education certainly is not my specific business as a member of the federal parliament, I think it would not be an intrusion in the area of provincial rights to wish the school board groups good luck and Godspeed in their endeavour.

This measure has been before the house on previous occasions. It was my privilege to speak in support of the bill then and in reiterating my support for the bill may I say that I welcome the opportunity to discuss again somebody else's ideas other than those of the C.C.F.

Mr. Grant Campbell (Stormont): Mr. Speaker, like the hon. member for Brome-Missisquoi (Mr. Grafftey), I too have the honour to represent a constituency that now has a substantial number of people of French Canadian origin. In my grandfather's day even the Gaelic tongue was by no means unknown in Stormont but today 53 per cent of the people there are of French Canadian origin. I would be very pleased if every Canadian was not only bilingual but trilingual. I am firmly convinced that no man can ever be considered a thoroughly educated person unless he can speak at least one other language than his own. Furthermore, I am convinced that no one can ever be thoroughly familiar and conversant with his own language unless he knows another language by which he can judge his own.

Mr. Drysdale: Like Gaelic?

Mr. Campbell (Stormont): For that reason and for many others I think there is a great deal to be said for the principle of bilingualism. There is also the whole question of cultural isolation. If all the people of Canada spoke French, French Canadian authors would have a much larger market for their works. Similarly, if all the people of Quebec spoke and read English, English Canadian authors would have a one third larger market than at present.

Apart from the question of the cultural advantages, in my opinion there is one thing more than anything else that distinguishes us at this time from the rest of North America and that is bilingualism. The one thing that will probably be a greater bulwark than anything else against cultural assimilation by the United States is bilingualism.

At this particular time our whole trade and unemployment picture and to a large extent our economic future depend on increasing our trade and our contacts with the continent of Europe and with the great continent of South America. I think anything that will increase our knowledge of bilingualism will encourage and aid these contacts.

Today, of course, the English language is the *lingua franca* of the world. Also, as it has been for centuries, the French language is the language of diplomacy, the language of culture, and the social language. For all these reasons, Mr. Speaker, I think it would be of great benefit that all Canadians should become bilingual. This I believe is a step in that direction. It is a step that aids and supports national unity, and a step that tends to emphasize our Canadian national identity, foster our Canadian unity and preserve Canada as Canadian.

Mr. John Drysdale (Burnaby-Richmond): Although coming from the far province of British Columbia, Mr. Speaker, I was very fortunate in the early years of my life to live in the city of Montreal and to receive some of my basic education in that city. So I feel that to a certain extent I have an understanding and a knowledge of the French speaking people from the province of Quebec.

I have a great admiration for the French language. As the hon. member for Stormont (Mr. Campbell) has said, it is the language of culture; it is a language that has a softness and tenderness, as compared with the English language. I feel that we in Canada are extremely fortunate to have, under the British North America Act, the bilingual nature that we do have.

I think I shall draw to the attention of the house before I proceed any further the fact that our fathers of confederation in 1867, in the British North America Act, made an explicit provision for the fact that there were going to be two languages in Canada. Section 133 reads as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; 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 the court of Canada established under this act, and in or from all or any of the courts of Quebec.

I feel that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) in introducing this particular bill has done us a great service, because he is in fact giving effect to the recognition which is already in the British North America Act. I feel, too,

that it is also important to consider whether this act is within the legislative scope of the federal government. In the provisions of the British North America Act I think we have every assurance that it is under our competence and jurisdiction, and I would refer Your Honour specifically to section 91 of that act. That section reads as follows:

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 in 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; that is to say,—

I would point out, that the particular subsection in which we are interested is subsection 18, which deals with bills of exchange and promissory notes.

We have therefore established through section 133 and section 91, subsection 18, of the British North America Act first of all the jurisdictional right of the parliament of Canada to enact this particular legislation. I suggest that section 133 provides the cultural justification for the enactment of this particular section. I feel the fact that we have two languages in Canada is not a division, it is not a bifurcation; but I think it provides for greater unity and understanding between two great races and two great nations.

I think this was recognized by the Prime Minister (Mr. Diefenbaker) when he introduced the system of simultaneous translation, because I have noticed since my arrival here that with the advent of simultaneous translation English speaking members are now becoming quite fluent and proficient at French, and the French speaking members, who seem to have a greater aptitude for catching on to English very quickly, seem to be also benefiting materially by this particular system.

I feel too, that being in the city of Ottawa and so close to the province of Quebec there is the opportunity to obtain many of their cultural benefits. One of the most enjoyable forms was the one where the Quebec members very kindly extended their hospitality to many of the English speaking members to join in the celebration of le bonhomme carnaval festival in the province of Quebec last year. We were able to see first-hand real French Canadian hospitality. We were also able to try out our French on a very understanding and sympathetic group, and we were also able to understand many of the joys of what I would like to call la belle province.

I feel that it is very important that this bill is brought forward at this particular time. It is unfortunate that we are in the closing days of the session and that we are perhaps not able to give it the necessary discussion, and perhaps not all the members who would like to speak will have that opportunity. But I thought it would perhaps give the hon. member for Joliette-L'Assomption-Montcalm, who proposed the bill, a certain amount of strength to feel that an English member from Colombie-Britannique would also participate in and give him support for this very important piece of legislation whereby we have recognition of both the French and English languages, not only as we have it in the schools and in parliament, but also on matters of bills of exchange, cheques and promissory notes.

I wish, that my French fluency was sufficient that I could do as the hon. member for Brome-Missisquoi did and translate my remarks into French. But I feel that would only be imposing an unnecessary hardship on the house. I only wish to conclude by saying that it gives me a great deal of pleasure to support this very important bill which the hon. member has put forward at this time.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, may I just take up one or two minutes of the time of the house to register my wholehearted support of the bill introduced by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon).

It is fortunate that the hon. member was able to introduce his bill before the end of the session. It is also fortunate that this bill headed the list of public bills, thus coming before a similar bill put forward by my colleague from Drummond-Arthabaska (Mr. Boulanger).

In fact, Mr. Speaker, you will no doubt recall that last year the bill introduced by the hon. member for Drummond-Arthabaska was at the top of the list of public bills, whereas this year, it is the opposite.

I feel that the hon. member for Joliette-L'Assomption-Montcalm should use his influence with his government colleagues to have the matter put to a vote without delay.

(Text):

Mr. Speaker, since my riding is situated in the eastern townships, and since you know that this part of the country was settled by the loyalists coming from the United States and Ontario, in our part of the country we are used to speaking either French or English. As a matter of fact, when my own family moved into Inverness in my constituency in my very young years we were the first French

speaking family to enter that village. We get along very nicely. In my riding the English speaking and French speaking people have always got along well and I am sure they would want me to support this measure.

Mr. M. D. Morton (Davenport): Mr. Speaker, I should like to make a few comments on the bill now before us. As some hon. members will recall the principle of this bill or a similar bill was approved on January 31, 1958, I believe, when a vote was taken on the bill then before the house and the four parties then represented in this chamber voted in favour of the principle of the bill. There were a number of hon. members who voted against the bill independent of party. The house having voted for the principle of the bill indicates that there is a general approval of the principle of the extension of bilingualism in this respect. Those hon. members who were here at that time will probably remember the colourful speech of the hon. member for Danforth (Mr. Small).

Perhaps in the past not all areas of Canada have readily accepted the idea of bilingualism. However, as the hon. member for Burnaby-Richmond (Mr. Drysdale) has reminded us, section 133 of the British North America Act accords the right to Canadians to use French or English, the language of their choice, in the particular fields delineated in that section.

As history developed various extensions of this principle have been made. As we have been reminded today the paper currency of this country has been made bilingual. I believe that the prejudice which has hindered the development of bilingualism is rapidly dying out in Canada in large part because of improvements in the means of communication through which contact is achieved between the people of the two major races. In my own riding there are not many French speaking Canadians and as would be true of similar ridings in Toronto many languages are spoken. Next to English the second largest language group would be Italian, I believe.

Historically, Canada is bilingual. I think it is a good thing that we recognize this principle and sincerely practise it. One of the great handicaps of the English speaking people of Canada has been the fact that they have not learned other languages as readily as have Canadians of other racial origins. As a result we have lost a great deal.

During world war II, I had the privilege of serving with a New Brunswick regiment that had both English and Acadian members. I got to know those of Acadian ancestry very well. In our brigade we had members from Quebec. In those years of trial and challenge we grew in respect for one another and for the customs, desires and hopes of each other. We came to realize that regardless of racial origin we shared the desire to build one Canada, a nation that would respect the freedom for which we were fighting and the customs of the people within the country regardless of the province in which they lived.

We came to realize too that as our country opened up through immigration from various countries across the world we must develop a new tolerance. We grew in understanding of the idea that ours is a young country that would meld together various cultures to develop the Canada for which we were fighting.

In spite of the prejudice that may exist in certain sections that perhaps have not had the benefit of close friendship and association of other language groups the trend toward bilingualism continues to grow. In permitting this growth the country broadens its horizons and enriches its social fabric. When one learns another language it is like obtaining a key to new knowledge and new understanding.

For the reasons I have briefly stated I wish to add my support of the principle advanced by the proponent of this bill. Although in my riding we do not share in the proportion of French speaking Canadians that may be found in some other areas in Canada I believe we do share the same aspiration and hope that this country will continue to respect the rights of those of different religions and cultures.

Those who are in favour of the extension of bilingualism must attempt to respect and understand the feelings of those who at the moment perhaps hesitate to fully endorse the idea of the extension of bilingualism. Through your understanding I am sure you will succeed in sharing your ideas with them and in winning their support. Be not discouraged by delays or misunderstandings that may arise from time to time because fundamentally, I think, we are united from coast to coast as one people with one purpose, to abide in this country, the land of freedom, in mutual respect for the individual rights and privileges of all.

Mr. W. G. Dinsdale (Parliamentary Secretary to the Minister of Veterans Affairs): Mr. Speaker—

Mr. Peters: Let us have a vote.

Mr. Tardif: Do not talk it out.

Mr. Dinsdale: Mr. Speaker, I see that there are objections from hon. members of the opposition as I rise to take part in this important discussion. From time to time I

have heard protests from hon. members opposite to the effect that they are not allowed the maximum freedom of expression in this chamber. I do not think I should make any apology for rising at this time to add my contribution to this discussion.

Some hon. Members: Hear, hear.

Mr. Dinsdale: I am sure I have not consumed as much time during the present session as have many hon. members who now utter protests at my rising to speak on this occasion.

Mr. Peters: Speak to the bill.

An hon. Member: The C.C.F. have guilty consciences.

Mr. Dinsdale: This bill is quite a simple one as I read it. It is merely to implement the printing of negotiable instruments in both the English and French languages in accordance with the principle established in the Bank of Canada Act. I am only sorry that my own bilingual capacity does not make it possible for me to express myself in French this afternoon. It is not that I am completely unacquainted with the language. I think it stems from the fact that in Canada we tend to be linguistically lazy.

I come from the province of Manitoba, and I was exposed to bilingual training from the end of elementary school up to college graduation. Unfortunately, because of this tendency to be linguistically lazy, I did not acquire the facility in conversation that is required in this House of Commons. I had the privilege of sitting under the instruction of a French Canadian teacher. As a matter of fact, during my high school days my teacher was a Mademoiselle Duval, and one of the phrases that I recall she used repeatedly in reference to my attempts at French in the classroom situation was: "Tu es bête". That being interpreted means, I believe, "You are stupid". It was not actually that I was stupid—

An hon. Member: You are too modest.

Mr. Dinsdale: It is just that there was a certain inertia in approaching the problems of bilingualism if one came from a part of Canada where opportunities in conversational French did not arise every day.

I admire the facility of many Europeans in this respect. They are not only bilingual, they are trilingual, and in some cases can even handle four or five languages. It seems to me that media of communication, language, is very important in the world in which we live today. As a matter of fact, the word "communication" and the word "community" are of very similar derivation and if we are going to understand one another and our respective problems in this country we have to reach a point where we are able to communicate in a meaningful way.

I have found it very useful, since we have had simultaneous interpretation available in this house, to acquire additional facilities in the second language by listening in on the translations, making up for the years of neglect when I had the opportunity in an educational situation to acquire facility and failed to take advantage of that opportunity to develop conversational French.

Having been exposed to that background, it is not in the least difficult for me to endorse the principle of the bill that we have before us this afternoon. There was a time, perhaps, when this was not as important as it is at the present time, but the sooner we as Canadians arouse ourselves from our sluggish attitude toward the acquisition of skill in languages the better we shall be equipped to deal with the type of role in external affairs that is required of Canadians today. Perhaps that idea seems very remote from the terms of this bill, yet it is from the small accumulations of this kind that we are going to move forward toward the skill in languages that we should have in modern society.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Like other hon. members in this chamber who have already spoken in this debate I want to extend my congratulations to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). This is not the first occasion when bills similar to this have been before the house. I think that all of us should have a definite understanding of what this bill means. In the explanatory note to the bill, as the hon. member has pointed out, it is stated that the Bank of Canada Act provides that all notes payable to bearer on demand and intended for circulation in Canada issued by the bank shall be printed in both the official languages. The hon. member for Burnaby-Richmond (Mr. Drysdale) when he was speaking in this debate pointed out the basis for having two official languages in this country. He pointed out that the British North America Act provides for two official languages.

This bill goes on to provide that every cheque, draft, travellers cheque, bill of exchange, postal note, money order, postal remittance and any other similar remittance of any department as defined in paragraph (f) of section 2 of the Financial Administration Act or of any crown corporation enumerated in the schedules B, C and D of the said act shall be printed in both the English and the

French languages, provided the form and the material thereof shall be subject to the approval of the Minister of Finance.

May I call it six o'clock?

Mr. Speaker: The hour for the consideration of private and public bills having expired, the house will resume the business which was interrupted at five o'clock.

SUPPLY

The house again in committee of supply, Mr. Rea in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

576. Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely:

$1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

The Deputy Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Peters: Mr. Chairman, just before five o'clock I made a rather reluctant beginning and pointed out that the farmers of western Canada had been waiting for some indication from the government that some of their problems would be relieved, not necessarily on a short term basis but on a long term basis.

When I was in western Canada I visited a number of farmers before and after the march to Ottawa and I was very surprised to find that members here representing those ridings said that the farmers were pleased to accept the acreage payments when they were paid in 1958. I found that was not true of the farmers I talked to. Whether other hon. members talked to a different group than I I am not in a position to say, but in the main those who received acreage payments in 1958 accepted them because there was not anything better and they needed the money. They did not agree that this was the solution to their problem. They knew the problem would be the same next year and that probably it would get worse.

I suggested to them something which did not come to pass. I suggested that they would make the march on Ottawa, that they would get their 300,000 signatures and receive a hearing, but I suggested that they would go back home and would have to report that nothing came of that march. I also predicted at that time that the next year again they would receive an acreage payment because it appeared to be a very good political gimmick, and that the acreage payment they would receive in 1959 would be $1.25. I expected that in 1960 it would be $1.50, and that by the time the Conservative government went to the people again this acreage payment would have reached proportions probably of $2 an acre. I realize, even if the government does not, that if they are going to give a hand-out on a relief basis they will have to increase the relief as the need increases or it will not even be of any value as an election gimmick.

The western farmer, being no different from any other farmer, is not particularly interested only in the problem as it affects him today but also is interested in correcting the problem on a long term basis. Farmers all across Canada have a large investment in land, in equipment, in buildings and the farm itself and they know that as time goes by there is only one solution for their agricultural problems and that solution is not deficiency payments or acreage payments but a parity price which can be applied to all agricultural products. Farmers have realized, and I believe also the Prime Minister has realized, that there must be eventually a long term solution which will put agriculture into a much more favourable position where they will not have this declining income and rising costs which they have had over the past few years.

When this delegation came to Ottawa a pamphlet was published on March 10, 1959 by the western farmers delegation, and it pointed out the following:

> Other groups in Canada have faced comparable increases in costs. But most of them have been able to pass these increases along to others through higher wages or through increases in the price of goods and services they sell. The grain farmer, however, has the price of his product fixed in the export market. Consequently, he is unable to adjust his prices to domestic cost increases over which he has no control.
>
> The rising spiral of costs has been the most significant factor contributing to declining farm living standards. Farm organizations have long held that the government of Canada must accept responsibility for the policies which have permitted a spiralling of farm costs. Consequently, if they are unable or unwilling to arrest this spiral, the government should be prepared to accept responsibility for maintaining farm prices in some reasonable relationship to costs...
>
> The government has recognized the danger. Its proposals looking toward a long-range corrective program are appreciated. These policies may eventually place agriculture in a position to cover its costs. But, until that time arrives, the grain producer must be assisted.

Then they point out three ways in which they consider the farmer can be assisted, and these are as follows:

> 1. Expansion of export markets. This would be helpful to the extent that farmers were able to increase their marketings. The majority of farmers

in the west will have no grain on their farms by mid-summer. Therefore, they would not be helped immediately even if expansion were possible.

2. Reduction of farm costs through lower prices of goods and services used on the farm. This would call not only for price controls, but for pushing these prices back to the level of ten years ago.

3. Transfer payments from the treasury to increase grain prices through deficiency payments.

When these 300,000 people asked the government for assistance they realized that even if they got deficiency payments this would not solve their problems on a long term basis. They were suggesting that other methods more applicable to them would solve the problem instead of acreage payments.

It has been pointed out that the grain farmers do receive other assistance. The hon. member for Essex East pointed out today that this amounts to $150 million, and I do not know whether that is too high or too low. But there are other factors which enter into the problem and there are other considerations which should be given to the grain farmers of western Canada.

We have never really attempted to solve the problem which affects agriculture, not only in the grain industry but all other industries as well, and until this government comes up with a constructive agricultural policy applied to all agriculture it will not get the support of the farmers of this country and it is not going to deserve the support of the farmers of this country.

Acreage payments will do two things. The payment of $1 an acre does nothing to overcome the cost-price squeeze; that is, the worsening of the farmers' position by continuing to increase the cost of production. It is this cost-price squeeze which today threatens the agriculture industry.

Second, the $1 an acre payment smacks of a hand-out or relief measure because it is based on nothing but political expediency. It means no more than the payment of five cents a bushel which was made in the hungry thirties. If you take the average as 20 bushels per acre, you will find this amounts to exactly the $1 which was paid by the then government in the depths of the depression.

Third, $200 in relation to a farmer's total expenses and cost of living is a trivial sum. The Prime Minister claims that it helps the small farmer, yet a small farmer with less than 200 acres receives less than $200. It was pointed out by the Minister of Agriculture this afternoon that there will be 76,000 people in western Canada having an acreage affording them less than $200 under this acreage payment. There will be 125,000 who will get $200 more or less.

Deficiency payments have been an alternative which has been put forward by the farmers of western Canada themselves. They admit that deficiency payments will not solve the problem. They point out that the government must immediately initiate a trade program which will encourage the selling of more grain produced by the western farmers. Many farmers who are producing and selling grain on the quota basis depend on the sale of that grain for their income, and their quota this year is seven bushels per acre. I would suggest, that the costs, calculate them as you wish, on the average farm in Canada cannot be covered by the sale of seven bushels of wheat per acre, and the costs of production cannot be geared to a seven or eight bushel quota.

On the other hand, deficiency payments do help to develop a parity price in grain production. To me a parity price means an amount sufficient to cover the cost of production and to pay to the farmer sufficient to enable him to have a decent standard of living for himself and his family. Deficiency payments have these advantages.

There is a clear-cut case for deficiency payments, based on the Prime Minister's election promises of parity of income for farmers. By refusing or failing to control the farmer's cost of production the federal government has a direct responsibility for his present difficulty. Therefore, by making deficiency payments the government would discharge its responsibility to the farmer.

Deficiency payments mean in effect an increase in the price of wheat, oats and barley sufficient to provide a compensation for the increase in the cost of production and therefore strikes at the root cause of the farmer's difficulty, namely the cost-price squeeze. Deficiency payments would constitute the kind of major policy necessary to assure the survival of the wheat industry so important to the economy of the three western provinces. Payment of deficiency payments of the magnitude requested can be practically applied, since the alternatives that the delegation has put forward, for example payment by the federal government of all storage charges, payment of a subsidy on flour exports and, the two-price system, would automatically reduce the cost of deficiency payments.

Mr. Lambert: Will the hon. gentleman please identify the source of his inspiration at the moment?

Mr. Peters: These are notes I made before supper.

Deficiency payments with a ceiling of $1,500, to be paid to any individual farmer in any one year, would provide sizeable help to the vast majority of farmers, and yet would not encourage the large or corporation farm.

In every case where the farmers have come to Ottawa, not only the last time but in years previously, they always put a limit on the amount of payment and on the amount of assistance they requested because it is not their desire to ask the federal government to finance the large operators of the west.

Mr. Jones: What they asked for was $4,500 in three years.

Mr. Peters: They asked for a maximum of $4,500 per farmer for three years. I believe the government has an obligation to the farmers of western Canada, as they have to the farmers of all Canada. The government has used deficiency payments when they have seen fit to do so. I am well aware of the fact that deficiency payments that have been applied to other forms of produce are not the same as those that would be applied to wheat, but they have—and the minister pointed it out today—reduced the amount of pork being produced and, therefore, increased the price beyond the floor that was established. I would suggest that it could be used to advantage in controlling wheat production.

I agree wholeheartedly with the remarks made this afternoon by that well known farm expert from Vancouver East who stated that the farmers were expecting and would welcome certain controls on the production of wheat because of the fact that the government is the sole agency for the sale of wheat and therefore there has to be some control in the production of it. It seems to me we are reaching a rather ridiculous position when we offer to the farmers a straight relief payment of $200 whether they have grown any wheat or not, and call it a subsidy, an acreage payment, or whatever name you wish to give it.

It seems to me that the farmers of western Canada are not going to be satisfied very long with a hand-out, and what they are being offered is only a hand-out. They are going to demand—and they have every right to do so—that an over-all agricultural policy be developed which will solve some of their problems rather than just cover them up. Among those problems is the major one of the cost-price squeeze. This government is going to have to do something either to increase the price of wheat being sold internally and externally and at the same time reduce the cost of production of the farmers, or—

Mr. Hamilton (Qu'Appelle): Will the hon. gentleman permit a question? I gather from what he has been saying that he has been making quite a study of the cost problem in western Canada. Has the hon. gentleman read the report of the royal commission on agriculture and rural life in Saskatchewan, and does he know what the recommendations in that report were as to what the provincial government could do to reduce the cost of farm machinery?

Mr. Peters: Mr. Chairman, the simple answer is no. I am not completely unfamiliar with the problem, though. As the minister knows, we have set up a committee to study the cost of farm machinery and his own members from Saskatchewan and others have pointed out that there has been a study of the co-operative ownership of farm machinery. There has been a study in the province of Saskatchewan of whether we should reduce the amount of farm machinery being used, whether it is possible to get along with less machinery. I am familiar with the fact that certain studies have been made. The minister will probably be happy to know that in Ontario also this problem has been given consideration. One of the conclusions that we have come to in Ontario is that a considerable amount of the land that was opened up for agriculture a number of years ago should be turned back to forest production. Perhaps the minister is also aware of the fact that in Ontario, as I presume in the west, we have given consideration to the size of farms. This in turn increases the costs that the farmer has to bear because it has become apparent that he needs more land.

I hold in my hand the supplement to handbook of agricultural statistics put out by the dominion bureau of statistics, dated March, 1960. It points out that the trend in the prairie region is in the direction of larger farms. In 1901 the average size of farms in the prairie region was 279 acres; in 1911 it was 289 acres; in 1921 it was 344 acres; in 1931 it was 381; in 1941 it was 438; in 1951 it was 498; and by 1956 the average acreage was 546.

So, this matter is not completely unfamiliar to us in Ontario. This is one of the reasons why we say that $200 is not a fair amount to be paid, that the acreage is not large enough and that a large number of farmers who are in a marginal position are not being given a large enough acreage payment to be of any value to them because they have had to increase their acreage very rapidly over the last few years. In rising to ask a question the minister has only pointed up what I have been saying, that this problem is a growing one. The government of Saskatchewan is giving consideration to it and I am quite sure the governments of other provinces are also doing the same thing. We are pleased that they are.

We suggest that the federal government should not only hand out this $200 by way of relief, which everybody needs and will be happy to receive, but should also come to

the conclusion to initiate a study so that we can arrive at a long term agricultural program, which the Prime Minister himself indicated they were going to do and on which he considers they are now working.

In this regard, I suggest that what has been done so far as crop insurance is concerned has been unsatisfactory because only one province has shown any great interest in that program. In our over-all approach to solving the problems of agriculture we have depended too often on such things as five cents a bushel per acre or the $1 per acre that we are now going to pay. The farmers will welcome this payment. We are willing to support it but I inform the government now that my discussions with farmers of western Canada and my understanding of the situation indicate to me that this is not a solution for tomorrow but only for today. The farmers are unhappy that the government did not see fit to make this type of payment last year and if it is going to be an election gimmick next year the payment will have to be more than $1 an acre.

Mr. Pascoe: Mr. Chairman, as a western member, a western wheat farmer and the representative of a large farming area I wish to make a few comments on this supplementary estimate in the amount of $42 million. Like other speakers, I wish to draw attention to the wording of the vote. It is in these words:

> Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers—

The Minister of Northern Affairs and National Resources indicated very clearly the implications of those words and I should like to draw attention to them again. On behalf of my farm constituents I wish to thank the Prime Minister for this assistance to western grain farmers and for his statement yesterday preceding the introduction of the supplementary estimate for $42 million. The Prime Minister again has kept his promise to prairie farmers. He stated earlier in the session that he would make an announcement of special interest to wheat farmers before the business of parliament was completed. This promise he has kept and, as he stated yesterday, for the past two weeks he has been waiting for an opportunity to place before the house this particular portion of the government's farm policy.

I am sure western farmers will appreciate the Prime Minister's announcement of the $1 an acre payment and his explanation of how this payment resembles the two-price system. According to my figures, $42 million is approximately the amount that western grain farmers would realize if all the wheat sold domestically for human consumption were sold under a two-price system at from 90 cents to $1 a bushel above the present export price. This was also brought out very clearly by the Minister of Northern Affairs and National Resources. The Prime Minister also indicated this in his statement and I should like to re-emphasize it because for many years I too have advocated a two-price system as a fair way to bring the western farmers' returns for wheat sold in Canada more in line with the prices of the goods and services the farmers have to buy on the Canadian market.

Although it was stated that the $42 million payment is for this year and nothing has been said officially about similar payments in other years, nevertheless the item before the committee tonight means that the payment will have been made for two years, in 1958 and now in 1960. This might, and I emphasize the word "might", bring about in the future a permanent two-price system for wheat sales. In this regard I should like to refer to the proceedings of the standing committee on agriculture for July 1, 1960, page 406. I was a member of that committee and we had a very interesting discussion with Mr. W. C. McNamara, chairman of the Canadian wheat board. I asked Mr. McNamara about selling wheat on the domestic market for the same price as the export price and Mr. McNamara gave his reply:

> Yes. This is under instructions we received from the governor in council—

I asked him whether it would be necessary to change the Canadian Wheat Board Act or merely to change the regulations in order to bring about a higher price for domestic sales, and in reply he said:

> No, just by changing the regulations.

Since the mass delegation came to Ottawa in March, 1959 with a petition for deficiency payments I have received many letters from my constituents regarding the two-price system. Most of these letters expressed support for the $1 an acre payment by the federal government in 1958. I admit that most of these letters were from smaller farmers. To them, as was clearly pointed out by the Minister of Agriculture and by other speakers, the payment of $1 an acre up to a limit of $200 will be a big help, particularly at this time when extra cash will be needed to harvest a very good prairie crop. I imagine that the $200 cheques will be going out as soon as this supplementary item for $42 million is passed, and in view of this I hope that the item will be passed by the committee as soon as possible.

Prairie wheat farmers will notice with gratification, I am sure, that the western members they elected on March 31, 1958 have worked with the Prime Minister and the cabinet on the farm policy being followed. Yesterday and twice last week the Prime Minister acknowledged this advice and help from the 47 members from Saskatchewan, Alberta and Manitoba on the government side. In this connection I should like to place on record the Prime Minister's statements of last week as reported in *Hansard*. On August 4, as found at page 7535 of *Hansard*, the Prime Minister said:

—may I point out that the fullest representations with regard to this important matter have been made by the many members from western Canada supporting the government. They have made most clear the desires and wishes of their people and are able to speak for them.

On August 5, on page 7595, the Prime Minister said:

—the government has at all times the benefit of the experience and knowledge of many members from the western provinces who support this administration.

And again:

I have pointed out that we have the benefit of the opinions and views of some 50 western farm members who have made very clear their views as to the needs and requisites of the western farmers.

Again, yesterday, this statement was made at page 7741 of *Hansard*, August 8. The Prime Minister stated, and I shall read it from *Hansard*:

We have had the benefit of the opinion, in so far as the western grain problem is concerned, of the western members supporting the government, who have continued to place before us their views and have pressed for action in accordance with the situation.

This may not be fair to the hon. member for Essex East, but I want to stress that this advice to which the Prime Minister referred comes from practical farmers who know the farm situation and who have a direct link with grass roots farmers, being grass roots farmers also.

Following up this reference to the help from western farm members, I note the absence from the house of the member for Assiniboia who in 1958, as the member for Medicine Hat and the Minister of Northern Affairs and National Resources said, described the $41,300,000 federal payment to prairie farmers as peanuts. I believe this scoffing remark of "peanuts" and the pattern the member for Assiniboia set for the C.C.F. government in Saskatchewan to follow cost prairie farmers $42 million last year.

If the federal government had considered the payment last fall—and it is very probable that this was the case—the C.C.F. opposition and the Liberal opposition would give the impression that the payment would not have been well received.

The Prime Minister commented on this, as reported in *Hansard* of March 4, 1960, when he said this:

I was surprised at the reaction in 1958 when we placed before the house a plan whereby payments were made on an acreage basis. The opposition spoke strongly against it. In the province of Saskatchewan the members of the C.C.F. ridiculed it, condemned it and held it up to public scorn.

In my opinion, as I said before, this opposition, led by the member for Assiniboia, probably deprived western farmers of a $42 million payment last year.

Mr. Winch: I did not know you paid that much attention to what was said over here.

Mr. Pascoe: I will speak about you right now. I think the C.C.F. member for Vancouver East who spoke for his group took a more reasonable attitude when he said he supported wholeheartedly any assistance to farmers, although he said that his group still pushed for the $325 million deficiency payment plan; and, he added, with production controls. I am sure western farmers will agree that this attitude is a much better way to help solve the farm problem than by describing the payment of $41,300,000 as "peanuts". But, speaking as a farmer, I know they will be very cautious of his warning about C.C.F. production controls, because that is what the C.C.F. specializes in, controlling everything they put their hands on.

Mr. Winch: What about the wheat board?

Mr. Pascoe: The Prime Minister emphasized the need for positive action on specific regional problems, but he also referred to the need to harmonize this action with national policy. This one dollar an acre payment will be more than a help to western farmers; it will also help the Canadian economy as a whole.

As was pointed out by the member for Provencher and others, the payment of $42 million in cash to prairie farmers within the next month will make its effect felt in a great many ways which need not be outlined here.

The Prime Minister emphasized the need for a farm policy that will aid rather than impede essential adjustments in agriculture. It is not necessary to repeat the arguments against deficiency payments and in support of this dollar an acre. But I would like to re-emphasize the government's determination to attack the basic problems by means of a long range program.

As a farmer, I will agree that the western farm problem has not yet been fully solved. But the government's long range program of

farm credit, price stabilization, crop insurance, more progressive wheat sales, cash advances on farm-stored grain, and other such measures has laid the foundation for a permanent solution that will benefit agriculture and the whole Canadian economy.

The royal commission set up by the Saskatchewan government, to which reference was made a few moments ago, to inquire into the farm problem, in a report to the Saskatchewan cabinet commented, and I take this quotation right from their report:

> —concern with respect to farm mechanization reflects a natural conflict between the old and the new... considerable uncertainty and insecurity will prevail until the new pattern becomes clarified.

In other words, this quotation from the royal commission's report to the Saskatchewan cabinet expresses the opinion that farm problems cannot be solved all at once, or by any single government action. I believe that all fair-minded and clear-thinking farmers will agree with this statement. I think they will agree with the government's long range program. This justifiable payment of $42 million as a sort of two-price system fits in with the whole farm program. As the Prime Minister stated yesterday:

> In connection with the broad national aspects of our planned agricultural policy, the government's intention is to present to parliament further instalments at a subsequent session designed to round out the program that was announced in August, 1958.

I would like to draw particular attention to that reference. The Prime Minister referred to the need to avoid the dangers inherent in other suggested farm remedies, particularly in regard to the effect of these suggested remedies on Canada's wheat exports.

As the Minister of Trade and Commerce has stated on other occasions, Canada is facing very tough competition from other wheat exporting countries. In this connection I would like to refer to the June 30, 1960 report of the standing committee on agriculture and colonization dealing with the annual report of the Canadian wheat board. At page 317, Mr. McNamara, the chairman of the Canadian wheat board, was testifying on his annual report. We brought up the question of prices on the export market and how our prices fit in with other international prices. He was asked about Russian competition for wheat sales and he said:

> The Russians would indicate that they watch our prices very closely and they try to sell their wheat, on a quality basis as compared to ours, at competitive prices. They seem to be pricing their best wheats that they are making available for export just below the value of our four northern wheat.

He went on to speak about the Dutch market, where the Russians came in last year and took a lot of the sales of No. 5 wheat. Mr. McNamara said:

> The Russians are going to drive to maintain as much as they can of the Dutch market. Now that we have No. 5 wheat coming out we are going to try to get as much of that market back as we possibly can. It will be a price factor.

I must emphasize that again, because that is what we are up against in selling our wheat on the export market. We have to meet world prices. This emphasis on the tough competition in the world market is in line with the Prime Minister's statement that the one dollar an acre payment is justifiable assistance to the western grain farmer, given in a manner that will not hurt our wheat export prices. We can raise the price for domestically-consumed wheat as I indicated before but we must meet world prices for the wheat we export.

The $1 an acre certainly is not a hand-out in any sense of the word. I repeat the statement that it is justifiable assistance. Now that the federal government has offered us $42 million in assistance I would hope that the provincial governments would come forward with a similar offer of assistance. I refer particularly to my own province of Saskatchewan which for 16 years has boasted of budget surpluses. I think the Saskatchewan government should pay less attention to a balanced budget and pay more attention to helping Saskatchewan farmers. A $1 an acre payment from the Saskatchewan treasury would be a very fine gesture particularly when the provincial budget is in such good shape.

The Saskatchewan government has other 50-50 agreements with Ottawa particularly in connection with their welfare programs. Ottawa pays half the cost although they are referred to as Saskatchewan welfare programs. In my opinion a 50-50 deal on acreage payments would show Saskatchewan farmers that the C.C.F. government has decided at last to do something more than call on Ottawa for all farm assistance. As a Saskatchewan farmer I call on the Saskatchewan C.C.F. government to do its share in this regard and shoulder its own responsibility toward its own provincial farmers.

If I may I should like to refer to another payment of more than $43 million from the federal treasury that is of direct cash benefit to the western wheat farmer. It should be kept in mind in connection with this acreage payment. I refer to the payment of $43,604,000 being paid by Ottawa in the 1959-60 crop year for storage of the wheat surplus under the Temporary Wheat Reserves Act. This sum of

$43,604,000 paid by Ottawa to the Canadian wheat board eventually is paid to western wheat farmers through wheat board payments. The net value to the wheat farmer of this $43,604,000 federal storage payment is an extra 11.7 cents a bushel.

We had an argument about that in the standing committee on agriculture and colonization. We figured it out with the wheat board and it came to 11.7 cents a bushel. When this information was brought out at one of the meetings of the committee to which I referred even the hon. member for Assiniboia commented that "this is a kind of deficiency payment." Those were his exact words. Even that hon. gentleman said it was a good thing. It comes out of the federal treasury.

I believe it is in order to make another suggestion that would bring more cash directly to the farmer. This is in regard to the storage of surplus wheat to which I just referred. I should like to see some of the surplus earnings now enjoyed by elevator companies—they are referred to as storage charges—diverted directly to the farmer by some form of payment for wheat stored on individual farms. It seems to me that the price of wheat could be increased one cent a month during the crop year in line with the elevator storage charges. This would mean that the farmer would earn one cent a bushel per month by storing his own grain in his own bins. At page 359 of the minutes of proceedings and evidence of the committee on agriculture and colonization I pursued this possible farm storage plan a little further with Mr. McNamara. I pointed out that in the Canada Wheat Board Act at page 12, section 2, part 3 provides:

> The board shall, if directed by regulation, pay to each producer at the time of delivery of wheat to the board, in addition to any other payment authorized by this section, a sum per bushel on account of storage of the said wheat on the producer's farm, for such period of storage as the board in its sole discretion shall fix—

I asked Mr. McNamara if this was still in the act and if it could be done. My question was as follows:

> Has any thought been given to the paying of storage for the keeping of grain on the farm until the farmer is able to deliver it, and raising the price of wheat to the same amount as the storage charges? I see that the board has the power to do that.

Mr. McNamara replied, in part, as follows:

> We have the power to do this. This has been a matter of consideration over a great number of years.

In fairness to Mr. McNamara I should point out that he said one of the disadvantages would be that the big farmer would get most of the benefit by holding his wheat back. Even if he did it would give the smaller farmer a chance to deliver more of his wheat to the elevator. I just pass that on as a suggestion that might be followed up a little later.

In connection with the latest move to bolster the western grain farmer's cash income I hope I can refer to another program of assistance, the increasing program of federal government co-operation with overseas countries which store Canadian wheat flour for use in emergencies and any other program of shipping Canadian flour to meet immediate emergencies. I know this subject is not before us now but under further supplementary estimate No. 577 we will be dealing with the purchase of flour for a relief gift to Palestine refugees in the amount of $1 million. Also, not long ago we had reports concerning the shipping of 20,000 tons of Canadian wheat flour to Norway and 30,000 tons to the United Kingdom. In terms more easily understood that amounted to 40 million pounds of flour to Norway and 60 million pounds to the United Kingdom.

We mentioned that also in the committee on agriculture and colonization. I asked Mr. McNamara about this and if it was paid for. At page 323 of the evidence I asked about these commercial cash sales and Mr. McNamara replied:

> We get Canadian dollars. The Canadian wheat board only sells for cash, even when the government is good enough to make wheat available they pay us dollars for it.

That is another way federal money is used to help bolster western farm incomes. In conclusion I want to state once again the principle behind this acreage payment of $42 million, the principle of providing the most assistance possible to the smaller farmers. This is how this policy was outlined by the Prime Minister as reported in *Hansard* of March 4, 1960:

> We recognize the principle that public money should be used to relieve distress on the basis of need, and any scheme which gives no help, or very little, to those who are most in need is socially indefensible. Any proposal to augment the admitted income deficiency of western grain producers must be of such a nature that the bulk of the assistance provided is directed to those most in need of it.

That certainly will be the case in regard to the item before the committee. I am very happy to support this policy. I am pleased that so many western members have contributed to the debate today. Hon. members on the government side who participated all spoke good common sense. We have not told enough people on the prairies what the government is doing to help agriculture. We have been too modest in regard to the government's farm program. As may be seen from the speeches today, we are going to tell the

story in full detail from now on. I know we can find very strong support for the government's farm program on the prairies.

(Translation):

Mr. Boulanger: Mr. Chairman, after the enthusiasm being shown by government members, I can hardly contain my own. Therefore, I cannot resist the temptation to deal a second time with the subject now under consideration.

When we analyze the difficulties being experienced by prairie farmers, we always come to the conclusion that the problem boils down to one of marketing the grain, especially wheat. There is also the problem of surpluses and that of low prices which have long prevailed.

For the last three years, the government has vainly tried to find answers to it. The farmers themselves tried to dispose of those surpluses by increased production of hogs, cattle and eggs, but this caused surpluses in hog and egg production.

We say that, so long as we do not succeed in balancing grain production with potential demand, the same problems will turn up.

The government has tried to get around them by increasing exports. Alas, we know what the results have been.

Over the last eleven months our wheat shipments dropped by sixteen million bushels as compared with last year. Barley shipments dropped by 4,400,000 bushels, and flax seed by about 2 million bushels.

We now export 27 per cent of our wheat to world markets, whereas a few years ago we exported 35 per cent. The results can easily be imagined: we have on hand 427 million bushels of wheat. This is six million more than last year.

We have been exporting less wheat in the various countries. Thus in 1958-59, our wheat exports to the Netherlands fell from 21 million to 7 million bushels; our exports to France last year dropped by one million bushels. In the case of the United Kingdom, we exported some 100 million bushels in the years 1953 to 1959, as against 150 million bushels between 1945 and 1949.

We realize today that Russia has been invading our markets. Last year, Russia shipped ten million bushels of wheat to the Netherlands, two million bushels to Sweden, and eighteen million bushels to France. Those are former customers which we have lost to Russia.

The government has failed in its export policy, in spite of its promises, particularly those made by the Prime Minister in the election campaign, when he stated that an army of salesmen would fan out throughout the world to dispose of all our agricultural products.

Another field that should be gone into is that of research. Almost nothing was done in that field since the Conservative government came into power, in spite of repeated requests from the Liberals, from universities and from farm organizations.

Several questions relating to wheat as well as to the marketing of that commodity might profitably be studied by that commitee, which would be made up of the best economists in this country, of specialists in research, leaders of farm organizations, representatives of the government and of business. That proposal has already been made by the Canadian federation of agriculture. It has also been suggested by the agricultural section of McGill university, that is Macdonald college, at St. Anne de Bellevue.

The Canadian federation of agriculture even passed a resolution last year, in which it was said that 1/10 of one per cent of the income from sales of grain should go to universities or other bodies engaged in the production, utilization or sale of grain.

During the debate on agriculture, on May 13 last, I referred to such an organization. I suggested that a committee be set up having a two-point program: first, to analyse the present situation so as to determine what can be done on the domestic market; second, to seek new and constructive ideas regarding world marketing of wheat. I should now like to extend my suggestion and ask the government and the Minister of Agriculture to earmark $500,000 for such research and to the setting up of that research committee.

In the last three years, the government has introduced only temporary measures to solve the agricultural problems, both in the west and in the east. We have amended the legislation in various fields. We have passed the Agricultural Prices Support Act. What happened as a result of that amendment? The Minister of Agriculture raised the prices of agricultural products, and we were afflicted with a surplus of agricultural products. So to settle the problem, the prices were lowered, and there was a substantial drop in farm income. Furthermore, we have practically no surpluses left that could be shipped to countries where people are starving.

Indeed, if today we wanted to set up a food bank such as the Prime Minister has often suggested, we would not even have

any milk powder or pork to supply that bank. That temporary policy, that superficial policy, has resulted in hopeless agricultural conditions for the farmers. There has been a serious drop in farm income, and many farmers, especially in eastern Canada, have gone bankrupt.

For three years now, the government has applied superficial remedies to cure basic ills that are still with us. They often applied conflicting, incompatible remedies. The danger in trying to settle only superficial problems is that we lose sight of fundamental ones.

No solution can be found unless we start by establishing the facts and then undertake research on production and markets. Then and not until then, can a long term farm policy be evolved and applied by appropriate legislation.

Those are the views of the Liberal party, and of the best agricultural experts of this country.

(Text):

Mr. Nasserden: Mr. Chairman, in rising to take part in this debate I am mindful of the debate which took place in 1958 when the government of Canada for the first time gave recognition to the validity of the principle of the two-price system as it could be applied to wheat consumed in Canada for human consumption. I remember that debate particularly well because we had to wait till the end of a very heavy session of legislation, much of which was designed to help those engaged in agriculture. However, my recollection of that debate has a more important signifiance. It was my belief at that time, and in the intervening period that belief has been strengthened, that the principle adhered to in making these payments was a good one for individual farmers, for the agricultural community and for the business community of Canada as well.

I believe I indicated in August of 1958 that the provision of an acreage payment could not in itself be looked upon as a final answer to the income problems facing western Canadian farmers. Unlike the opposition in the House of Commons I feel that this acreage payment cannot in any way be termed a hand-out or a relief measure. Indeed, I am very much inclined to believe that it is much more in line with a deficiency payment as compared to those things which were offered first as deficiency payments by the delegation which came from western Canada. Indeed, it is my belief that those so-called deficiency payments could be called incentive payments.

The maximum amount of $200 as outlined is not as great as some people would like to see. It is, however, $200 more than a Liberal government would have provided. The fact that there was no payment in 1959 is known to everyone in western Canada. The factors which resulted in that situation are equally as well known. The fact that there have been undertones not openly acknowledged in this situation is one of the indisputable elements which should be and must be taken into consideration.

I want to thank the hon. member for Essex East for the compliment which he paid to those in this party who in the caucus have kept this matter before the government throughout the months. How he could refer to the members of the opposition as having shared in bringing this payment into reality I cannot imagine, as he seemed to indicate that they were opposed to it as a relief measure or as a handout.

With regard to his reference to my remarks of January 28 I want to assure him that they were made as a Conservative who believes that parliament is an instrument to be used to induce action, that the privileges of this house uphold the right of every member to the expression of his views and those of his electors as he interprets them. I am happy to be able to inform the hon. member for Essex East that the great party in which I find myself upholds that right as well. I would hope that the party to which he belongs will some day be able to claim the same distinction.

One of the opposition members was quick the other morning to grasp on the possibility that these estimates might upset the Minister of Finance's balanced budget. I can only extend to the Minister of Finance the appreciation of those who will directly benefit from these payments, and to those I must add the appreciation of the entire business community of western Canada, indeed the business community in all parts of Canada, because I believe that no one in this house will doubt that this amount of money will find circulation eight to ten times down through the business community of this nation.

There are those who will be disappointed with this announcement because they have made up their minds to be disappointed with anything this government might provide to meet this situation. I do not believe that the people of Rosthern constituency are among those, and I know that the people of Rosthern constituency will not question the principle upon which this payment is made. An amount of money in excess of $40 million is better than nothing. Together with the payment made in 1958 it represents close to $85 million. That is $85 million more than a Liberal government would have provided.

There are other things that the men and women who compose the government benches have concerned themselves with during the last two and one half years, and they all have a bearing on the agricultural situation not only in western Canada but in all parts of Canada. I think of the amendments to the health of animals act, increasing the grants to those who have cattle condemned for slaughter. I think of the amendments to the Prairie Farm Assistance Act and the extension of benefits to some who were previously excluded. I think of the amendments to the Prairie Farm Rehabilitation Act and the increase in the amounts for yardage in the construction of dams and dugouts. I think of the amendments to the Estate Tax Act allowing the gift of $10,000 once in a lifetime to another member of the family, this in addition to the $4,000 allowable now in any one year. I think of the amendments making possible the securing of a loan of $7,500 under the Farm Improvement Loans Act, as compared to the old $5,000. I think of cash advances on farm-stored grain. They who sit on the opposition benches today said that that could not be done.

I think of import control on certain agricultural products. I think of the increased millions now being expended to assist wheat exports to Colombo plan countries. I think of the $20 million freight subsidies and the Prime Minister's assurance of the maintenance of the Crowsnest pass rates on grain, and then too the appointment of the commission on freight rates. I think of the active support given the food for peace program and the NATO food bank. I think of the price spreads commission which has already reported and which is now under study. I think of the Bracken box car commission and the effect on box car distribution in western Canada.

I think of the $43 million acreage payment, that $200 payment scorned and rejected by those who sit in the opposition. I think of Canada and her Minister of Trade and Commerce who has done a notable job in marketing an average of over 300 million bushels of wheat in the face of the very strictest of world competition. I think of the assistance given those who had to move in feed supplies last year and the year before.

Mr. Martin (Essex East): Mr. Chairman, on a point of order, you will recall the ruling you were about to give today following the raising of a point of order, when you said it was not possible to discuss the whole agricultural policy of the government on this estimate. I would remind you that the speech we are now listening to started out to be an interesting one, but it certainly has traversed the ground which you said yourself would be out of order.

The Chairman: I would think that the hon. member would recall that I was very lenient with the hon. member for Drummond-Arthabaska. The way I analyse the speech of the hon. member is that he is not discussing the measures individually he is referring to them because, to my way of thinking, he is trying to answer the charge that the present measure is insufficient and that therefore it should be considered in the context of other measures. So long as the hon. member does not discuss the other measures but merely makes reference to them I think it would be relevant, in view of the nature of the discussion and the way I understand his speech.

Mr. Martin (Essex East): I agree that is the way you understand the speech, but I suggest to you with confidence that the speech being delivered now is not on this item. You will remember the nature of the point of order that was raised. It arose out of the statement by the Minister of Agriculture, which was a general one on government agricultural policy. When you sought to intervene in the speech of the hon. member for Drummond-Arthabaska, it was pointed out that this point had been raised when the Minister of Agriculture was speaking and that if the Minister of Agriculture was to be given such a privilege it could not be denied to anyone else. You then said that you thought, that in fairness to the hon. member for Drummond-Arthabaska he should be given latitude, but you warned other members, including the member for Essex East, that you did not propose to allow a general discussion. I suggest to you that this is not a laughing matter, and that the rules of this house ought to be strictly observed. The hon. member who is now speaking ought to be asked to discuss the item.

The Chairman: I do not think the hon. member for Essex East has given word for word the content of the ruling I gave this morning. What I say was that so long

as the hon. member does not discuss each measure, but merely enumerates them to show the context of the item under discussion at the present time, it seems to me what he says would be relevant. Up to now I certainly have given latitude to all hon. members who have spoken and I do not see why I should deny it to the hon. member who has the floor.

Mr. McIlraith: Does this mean that one can discuss any matter raised in the budget? The discussion of the Estate Tax Act that we have just listened to surely has nothing to do with the item before the committee at the present time.

The Chairman: Surely the hon. member for Ottawa West understands the difference between discussing a measure and referring to it. The hon. member has not discussed any of the measures to which he has referred; he has simply given a list of the measures and I think it is relevant.

Mr. Nasserden: I should like to thank you for your ruling, Mr. Chairman. I can understand the position of the hon. member for Essex East. He sat in his seat and squirmed every time any of these measures were brought before the house, each one of which was of importance to those engaged in the agricultural industry. I have sat in my seat here and listened to members of the Liberal party intimate that this government has spent too much money. All I want to ask at this time is which one of those measures mentioned would they want to deny to the farmers of this country?

The Chairman: Order.

Mr. Nasserden: In addition to the things which I have mentioned, and as part of the over-all agricultural program to bring those engaged in the agricultural industry a little bit closer to enjoying what we call a fair share of the national income, this party, and particularly the members from western Canada, do not forget that they were given a job to do in the election of March, 1958. The government brought in farm credit legislation designed to meet the needs in this age of changing agricultural techniques.

The Chairman: Order. I must warn the hon. member that he can make reference to other measures but not discuss them. I think he is pointing in that direction, therefore I must warn him before he goes too far.

Mr. Nasserden: Thank you very much, Mr. Chairman. The only reason I referred to it was that it helps to make a more economic unit in so far as the farmer's business is concerned.

[The Chairman.]

Some reference has been made to crop insurance today and the fact that it is not more universal in this country at this time. We waited for this more years than most of us would like to remember. Last year when that legislation was put on the statute books it will be recalled there was a situation in western Canada that brought more vividly to the minds of the people in that part of the country than anything else the need for that kind of legislation. I see you are getting a little restive, Mr. Chairman. I am not going to pursue that particular subject at this time but I did want to mention that.

In addition to these things, reference was made today to the South Saskatchewan river dam, a project designed to take care of a situation in that arid part of the province of Saskatchewan where a greater diversity of production is required than exists at the present time.

It is also notable, that in 1960 the provinces received over $500 million more than they received in the last year of Liberal rule. For my part, I cannot possibly go along with the hon. member for Essex East when he says that farmers who were farming on a larger scale do not need any assistance at this time. All of them, large and small, need all the help that government legislation can give them, to provide them with the opportunity to secure an equitable return for their products and labour.

If we go back to 1958 when the acreage payment was made we will see that there are those in western Canada who said they did not know that that payment was related to the two-price system for wheat. I have here a report dated September 4, 1958, in the *Western Producer,* the official organ of the Saskatchewan wheat pool, and it says this:

> By rejecting the principle of basing the domestic price of wheat on Canadian costs and Canadian living standard, the farmers are requested to subsidize the users of bread. This means that 18 cents of the 21 cents loaf is based on Canadian costs and living standards, the three cents share which goes to the farmer is based on a subsidized wheat price with the farmer doing the subsidizing.

How could an organization make a statement such as that in the face of the statement that was made by the Prime Minister at the time the legislation was brought forward in parliament? The hon. member who preceded me did not think this government had been very successful in reducing the wheat surplus. I have a report here which appeared in the *Star-Phoenix* last year under the heading:

> Wheat Surplus Now Felt at Manageable Proportions By Board Chairman McNamara
>
> Mr. McNamara said Canada had reduced its wheat surplus by 200 million bushels in the 1957-58 crop

year. He thought there would be a corresponding reduction during the present 1958-59 crop year ending July 31.

There is another aspect of this situation about which I should like to remind the hon. member for Essex East. He referred to the pamphlet, "Souvenir, on to Ottawa". I have a copy here and on page 2 I find the following:

The grave situation in agriculture began to develop after 1954. At the end of the second world war, when price controls were removed the cost of goods and services required by agriculture began to climb along with all other costs in Canada. Up to 1954, the price of wheat and other grains shared to some extent the generally buoyant price levels. That is, the rise in costs was partly offset by better prices for western grains.

After 1954, however, the price of grains began to go down. Meanwhile costs continued high for a year or two and then, in 1955 and 1956, began to rise rapidly as the Canadian economy headed into a new wave of expansion. The result spelled trouble for the grain producer. As his costs went up, prices for his output went down and he was caught in a squeeze which increasingly threatened his economic existence. It was in this situation that small groups of farmers throughout the country began to demand policies which would rescue the grain industry from the threat confronting it.

What was the answer of the Liberal party? Even during an election campaign their only answer was to try to bribe the farmers of western Canada, with their own money, by offering them a 10-cent increase in the initial payment. Before I conclude, I should like to say that I think it is generally recognized that farmers throughout the world are suffering today from the cost-price squeeze. This was very ably brought out on January 14 by the vice president of the Saskatchewan wheat pool, Mr. Bobier, when he spoke to the field husbandry association at the Bessborough hotel in Saskatoon. He said then:

Farmers not only in Canada but all over the world are feeling the cost-price squeeze.

Alf Gleave, the president of the Saskatchewan farmers' union, had this to say:

Limited sales and limited production are putting farmers in a strait-jacket... and increasing the size of farms will "not rid us of our headaches". The solution lies in faster movement of grain out of terminal elevators, and the key to this is "stepped up efforts to boost export sales".

Anyone reading these words, and I have almost 100 clippings of one kind or another dealing with this situation, cannot help realize that not only the farmers but the farm organizations have recognized the fact that there is a great deal of confusion among themselves with regard to what the solution to the problem may be.

I wish to say once more that there will be those who will say that this payment should have been larger. For my part I am happy to see the government resume the course it set out upon in 1958. I would encourage those on the treasury benches to follow through in the years to come and implant this estimate more permanently in the statutes of our country.

One thing is certain. The Liberal party has learned nothing from its defeats in 1957 and 1958. I have referred already to the fact that their answer to the problem was a 10-cent bribe with the farmers' own money. After listening to them in this debate I am convinced that they are opposed to acreage payments and that they are opposed as well to aid for western farmers because they have not offered any alternative to what the government has proposed at this time. I am proud tonight that I am a Conservative because to my mind this payment represents the supremacy of parliament so far as every western Canadian member of parliament is concerned and because I know that the principle of this payment put forward by the government represents the considered opinion in western Canada today. No one will go to western Canada and say, as the C.C.F. and the Liberals are saying and have been saying, that there is no principle in this estimate. I also believe that this whole experience, and I emphasize that it has been an experience, will inspire western members to continue their representations on behalf of their electors. I shall support the measure and I will be surprised if the opposition dares to oppose it in a vote or even by way of an amendment.

Mr. Martin (Essex East): Mr. Chairman, I listened with considerable interest to the hon. member who has just taken his seat. It is obvious that in the period since the hon. member made his courageous onslaught against the government and its farm policy, by process of attrition, he has come to regard the government as being now closer to his position than he thought it was on that famous occasion. I rise now simply to refer to a statement made yesterday in Saskatchewan by a representative leader of the farmers of western Canada who I know will be looked upon as expressing a very important segment of western farm opinion. Indeed, the hon. member who has just spoken referred to Mr. Gleave and referred to him approvingly. In tonight's mail I have received a copy of a statement made by Mr. Gleave yesterday which has a very direct bearing on the subject under discussion. The statement is dated August 8, 1960, and reads as follows:

"The $1 per acre payment for western farmers announced today in the House of Commons by Prime Miniser Diefenbaker is small compared with the needs of those farmers", A. P. Gleave, president of the Saskatchewan farmer's union, said here today.

"It is regrettable that the Prime Minister did not find it worth while to meet with the western liaison committee as we had requested repeatedly", Mr. Gleave, who is chairman of the committee, said. "Only 10 days ago, we received a letter from the Prime Minister's executive assistant saying that such a meeting would be arranged."

The liaison committee had informed the Prime Minister by telegram in April that it was prepared to meet with the government to discuss acreage payments as an alternative to deficiency payments which had been rejected, Mr. Gleave said. This was followed up by a brief on May 12, receipt of which was not even acknowledged by the government. The brief outlined an annual income deficiency of $109,700,000 for western farmers, and repeated the request for a meeting.

"We are happy to see some result of our efforts, but by taking such unilateral action the government obviously intends to assume full responsibility", Mr. Gleave said. "It will be up to each and every farmer in the prairies to judge for himself as to the adequacy of the government's action."

This is a statement from the president of an important national farm organization. Mr. Gleave comes from the same province as does the hon. member who has just spoken. The hon. member said he was satisfied that western farm opinion would support the position he has taken tonight. I call in answer to that statement the statement of Mr. Gleave who is now in western Canada and who is presumed, I believe, to know a good deal about what the farmers of that province and that section of Canada think.

Let me tell my hon. friend for his benefit that we have already stated in the house that inadequate as this measure is we recognize that the farmers of western Canada need assistance and to the extent that this assistance will help them it is being supported by us. But like Mr. Gleave, we say it will be up to each and every farmer in the prairies to judge for himself as to the adequacy of the government's action.

Mr. McIntosh: May I ask the hon. member a question? I wonder if the hon. member for Essex East realizes that Mr. Gleave, the head of the farm union in Saskatchewan, has actually fewer members in his organization than I had supporting me in one constituency, one out of 17, in the last election. That is how many people he represents in Saskatchewan.

Mr. Martin (Essex East): Since I am asked a question by a very amiable and disinguished gentleman of this house I have no hesitation in answering it. I do not know anything about my hon. friend's organization. I hope it is a good organization. He will require a good organization, because when the next election comes, not only he but many hon. members from western Canada are going to require good organizations to meet the opinion that exists among western farmers in regard to the government's agricultural policy.

[Mr. Martin (Essex East).]

I do not know whether my hon. friend's organization is stronger than Mr. Gleave's. But I do know Mr. Gleave and I believe him to be a knowledgeable and responsible farm leader. I have in support of that statement no less a person than the hon. member for Rosthern, who spoke only a few moments ago in such complimentary terms of this farm leader Mr. Gleave.

Mr. McIntosh: A supplementary question, Mr. Chairman. I wonder if the hon. member for Essex East realizes that the Conservative members, 17 of them down here, are the political representatives of the farmers of western Canada, and not Mr. Gleave.

Mr. Speakman: Mr. Chairman, I make no apology at all for rising for the first time today, not the third, to express on behalf of the 11,000 farmers in the Wetaskiwin constituency their appreciation of the announcement of the Prime Minister of the payment of a dollar an acre. I should like to point out to the hon. member for Essex East who spoke so favourably of deficiency payments, and also to my friends of the C.C.F., that deficiency payments would have been paid to less than 1,000 of those farmers in my constituency. The acreage payment will be paid to every one of them.

The hon. member for Essex East gave me the information in the course of his remarks quite some time ago that there are 224,717 permit holders in western Canada. Perhaps the hon. member does not know that the scheme of deficiency payments which he so strongly supports would have put 87 per cent of the money in the hands of 14 per cent of the farmers, whereas this method of assistance puts this acreage payment in the hands of every one of those 224,717 farmers, large or small.

The people in my constituency, will appreciate this. I will quote a newspaper article now for the edification of the hon. member for Essex East, who today took great delight in quoting a statement of a constituent of mine, a friend and a neighbour, the president of the farmers union of Alberta some time ago this year. He said as quoted in today's Ottawa *Journal*:

It has not solved all the difficulties—

And this, we make no claim to doing, but we do make a claim on behalf of this government of trying to help western agriculture. Mr. Nelson goes on:

—but it is something to work on.

I should just like to quote this also to the hon. member who is so fond of quoting newspapers and newspaper authorities. Mr. Ransom, president of the Manitoba federation of agriculture, said:

Very acceptable... but temporary relief.

An hon. Member: A very good man.

Mr. Speakman: Another quotation is:

Even though small, it will be well received.

That was the minister of agriculture for the province of Alberta. As the hon. member knows, they are not supporters of this government. I think perhaps the most eminent authority in western Canada on farmers and farm problems is the president of the United Grain Growers Association of Canada, Mr. J. E. Brownlee. He said:

The distribution of some $40 million among farmers in western Canada will afford considerable relief, particularly to small farmers.

Of the 11,000 farmers in my constituency over 80 per cent have an acreage of 300 acres or less. So I say again that I am expressing on behalf of the people of my constituency, and I am sure of the province of Alberta, their appreciation to this government for having recognized their needs and having taken these steps to ease it.

Mr. Stefanson: Mr. Chairman, I just want to make a few brief comments on this particular item in the supplementary estimates. As I represent an agricultural riding from Manitoba I was very pleased with the announcement made by the Prime Minister yesterday when he announced this one dollar per acre payment to farmers in western Canada.

Some members have referred to this payment as being a hand-out. It has been referred to as a hand-out by speakers from both the Liberal and C.C.F. parties. But in reality it certainly is not a hand-out. One can call it a subsidy. The very wording of the supplementary estimates indicates that. The wording is as follows:

Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely:

$1 per cultivated acre up to a maximum of 200 acres par farm in accordance with regulations—

Et cetera. So therefore you can say it is a subsidy. In my constituency most of the farms are quite small. In a large section of the constituency there is very, very good land and production is high. In other parts of my constituency there is marginal land and the production is low. In this case with an acreage payment the farmers will get the same return per acre, while under a deficiency payment the man who had a large yield per acre would benefit much more than the man on the marginal land whose crop was smaller.

This afternoon the hon. member for Churchill outlined the legislation that has been introduced by this government, and it was a long list. I do not intend to repeat it here, but I just want to point out that all that legislation that has been introduced by this government is aimed at bringing stability into the agricultural industry, and given time to work it certainly will bring about that stability. Some people get a little excited because they do not see any immediate effect. But all that legislation which the hon. member for Churchill referred to this afternoon will in the long run bring about stability in the agriculture industry. This one dollar per acre which we are discussing tonight certainly is another step in bringing stability to the industry.

The hon. member for Essex East referred several times today to the fact that this has not been adequate, that it is inadequate. There are those who will always say, regardless of what the amount is, that it is not sufficient. We know that is only human nature, that no matter what you get you always want a little bit more.

Also in his speech this afternoon the hon. member for Essex East said the Prime Minister said yesterday this program would cost $40 million. On page 7743 of *Hansard*, the Prime Minister in his speech mentioned that the program would cost between $41 million and $42 million, and this is based on the assistance program of 1958. This type of subsidy would certainly help the small farmer and the so-called family farmer. This government at all times has shown great interest in the family farmer, those people who actually live on the land and farm themselves. That is the type of farm which we have to try to maintain. We know that the small farmer today is facing many difficulties not brought about by himself, this government or the preceding government, but brought about by the great technological changes which have taken place in agriculture during the past 15 years. This government is facing up to the situation. It is attempting to find a solution to the great problems created in the last 15 years.

This measure of acreage payments along with other legislation this government has introduced during the last three years is certainly providing assistance to the farmer and is helping to ease the problem. We have not said that the present measure is a cure-all. I have not heard any hon. member of the government make that claim and I am sure no government member would make it. Certainly, however, this measure does represent a step that will be helpful to agriculture. This sum of $42 million when spread out across western Canada will benefit not only the persons who receive the money but the

business people in each area. It is a real shot in the arm for the economy of western Canada.

It has been said that in the west we have 48 members of parliament, 47 of whom are Conservative members. If you take away the hon. members representing urban ridings such as Winnipeg which has four seats, Calgary which has two, Edmonton which has three, and Regina and Saskatoon—11 in all—that leaves 37 rural constituencies. If you divide 37 into $42 million that averages over $1 million for each rural constituency in western Canada. That certainly is not peanuts, it was referred to by the leader of the C.C.F. group in 1958 as such. The payment of over $1 million for each rural riding in western Canada will be of great benefit to the farmers and to all the people of that part of Canada.

I am sure the farmers in my riding will appreciate the $1 an acre payment. I also know that there are many who would have liked to have seen a larger payment and who perhaps feel that the present payment is not sufficient. Nevertheless I am sure that each and every one of those farmers will be very glad to receive this payment and the amount that each receives will be of definite benefit to him.

Mr. Fane: Mr. Chairman, it affords me great pleasure to be able to rise and speak on vote No. 576 and to express my appreciation and the appreciation of the farmers of the constituency I represent to the Prime Minister and the government for this assistance the farmers will receive. It will be very well received in my constituency and while the payment of $1 per acre up to a maximum of $200 may not be as much as some had hoped for, it is, I am sure, as much as most of the farmers expected. When I heard the Prime Minister—if I heard him aright—tie this payment in with a payment on the wheat used for human consumption in Canada I realized that it would be tantamount to the payment of about 70 cents a bushel for the wheat that is consumed in Canada. That will be of great assistance to the farmers and will be equivalent, in effect, to the establishment of a payment for a two-price system.

This payment cannot be called a deficiency payment such as was asked for by the mass farm delegation that came to Ottawa. The farmers in my riding realize that the deficiency payment asked for by that delegation would have been of little use to the vast majority of my farmers. A few would have got all the money that would have been received in my constituency.

[Mr. Stefanson.]

I was a little surprised to hear the hon. member for Drummond-Arthabaska and the hon. member for Essex East make so much fuss about this payment. It would seem that they were jealous of the fact that they were not doing it and of the fact that the government of which they had been members had never seen fit to assist the farmers of western Canada to this extent. The hon. member for Drummond-Arthabaska mentioned that he was looking forward to the return to power of a Liberal government. I should like to suggest to the hon. member that while he is waiting for that supposedly wonderful day to come about he should not hold his breath until it arrives.

I was somewhat amazed at the would-be righteous indignation and the air of injured innocence of the hon. member for Essex East—

Mr. Martin (Essex East): Why go after him all the time?

Mr. Fane: —especially when he started in to remark about the lack of agricultural policy on the part of this government. I recall attending a meeting on March 26, 1957 which was addressed by the former minister of agriculture. He was, I am told, the only member of the former Liberal government who knew anything about what was going on in his department and he was Mr. Agriculture to the Liberals. At that meeting he stated the Liberal government's policy. It was this, that the farmers in Canada never had it so good up to that time. He also said that anybody who could not raise hogs at a profit for 19 cents should not be farming. He said he could do it. I hope he is finding out what the score is now.

Another point that interested me is that both opposition parties are trying to make so much out of the fact that in three years in office this government has not been able to quite clear up all the mess that was made while the Liberals were in office for a period of 22 years. Is it not about time they realized that it takes a little longer to clear up the mess they made such a good job of creating? They say that this payment is too little, that the small farmers are getting less than $200. What would those small farmers have got had the so-called deficiency payments for which the farm organizations asked been introduced? They would not have got a nickel out of it, because they would not market enough grain off a quarter section to make any money in that way.

It is not very often that I try to indulge in any political backbiting in this house, but tonight I have found it expedient to do so and that is just in order to help keep the record straight. I shall not take up much more

of the time of this committee, but I do want to commend to all those who read *Hansard* the contributions which have been made on this item by hon. members supporting the government. There have been quite a few made already and there will be more made during the course of this evening. In all those addresses there has been very good material, very true statements which should be spread around throughout the farm communities of this country.

Again I want to thank the Prime Minister and his government for bringing this matter forward, and I can assure you, Mr. Chairman, that I accord it my most sincere support. I thank you.

Mr. Horner (The Battlefords): Mr. Chairman, I should like to join with those who have spoken before me in appreciation of the announcement made by the Prime Minister that acreage payments will be paid to western wheat growers this year. I do not want to repeat what has been said by speakers who have preceded me, but I am certain this will be welcome news to farmers and to the businessmen who do business with the farmers. There should be around $1 million paid into my constituency by the acreage payment method. We do not believe that this is a cure-all but at the same time I do not think it is peanuts, either.

This acreage payment should help to alleviate the effects of the cost-price squeeze in which the farmer finds himself owing to the high cost of farm machinery, of fuels and of machinery repairs. I think this method of payment is fair because it does not discriminate against the farmer who feeds his grain and it does not rule out the farmer who loses his crop through weather hazards; the man who, in my estimation, is the one who needs a payment the most. Lastly, it does not encourage an increase in wheat production, and I think this is important in the light of the surplus we have at the present time.

In view of the correspondence which I have received during the last few months, I may point out that the requests for acreage payments exceed by far the requests for deficiency payments. In conclusion, I wish to say that I endorse and appreciate this payment to the western farmers. Thank you.

Mr. Kindt: I rise at this time to say a few words on item 576. I shall try to make my remarks as brief as possible, because I realize there are others who are to follow, and I believe the ground of this subject has been fairly well ploughed. However, I have a few remarks which pertain to the feelings of the farmers of my constituency, and may I say that during the past three months I have received a total of 11 resolutions from F.U.A. locals in my riding and, in addition, a large number of letters from individual farmers. Now each of those locals were prompted by the F.U.A. central organization in the province of Alberta. In so far as the F.U.A. locals are concerned, they were asked by their central organization to write to their member of parliament and to suggest an alternative to deficiency payments. I have received these 11 resolutions and I have since had an opportunity to talk with many of the members in these different farm organizations in my riding. I have been working among them to ascertain their desires, and may I say that in all cases they have asked for acreage payments.

The vast majority of farmers and particularly the small farmers do not want deficiency payments. I say this in answer to the hon. member for Essex East and to others, especially those in the far corner who have spoken in favour of deficiency payments. The majority of farmers in my riding are not asking for deficiency payments. They would, of course, like to see a somewhat bigger payment, that is true, but did hon. members ever hear of anyone who was perfectly satisfied with any particular payment? I imagine that if we were to make a canvass of them they would all be grateful, and many of them are very thankful for the payment of $200, especially when they realize that the payment is one which is being made to them and which is not being all paid out to the large producers.

While I am on my feet I want to say that the western liaison committee to which the hon. member for Essex East has often referred is a committee which was formed supposedly to speak for the farmers of western Canada. But the committee does not hold the confidence of the grass roots farmers. They are not speaking for the farmers. There are too many motives back of what they are doing which are not held by the people they are supposed to represent.

There is an evolution going on in agriculture. Yes, there is a very definite evolution in agriculture, and if you are to understand the farm problem of western Canada you must break it down into its elements. There is the large, medium and small grain farmers, and I have 6,000 farmers in my riding. About one third of all the wheat produced in the province of Alberta is produced in the Macleod constituency, so I have some right to speak on this subject.

If you break down these 6,000 farmers into size groups as I have done they follow a pattern which is about the same as was outlined this afternoon by the Minister of Agriculture. About 60 per cent of them are

small farmers, and it is this group that we seek to reach by this acreage payment. As everyone knows, there is a storage payment which amounted last year to $38.9 million and which went to wheat producers through the wheat board. That, in turn, is a payment for the storage of wheat, oats and barley and amounts to from 6 to 10 cents per bushel. This storage money goes indirectly to the people who deliver grain to the wheat board. To be sure, some of it goes to the small farmer but the great bulk goes to the large operators. It is not only fair that this $41.3 million under item 576 of the supplementary estimates should supplement the income of the small farmer; it should go all across the board, and include the small farmers.

It it were possible to single out just the small farmers I believe the large farmers of western Canada would go along with the proposition, if it were administratively possible to help the small farmer to a greater extent because it is the small farmer who is finding it most difficult in his struggle against the cost-price squeeze. There is perfect competition among farmers. As everyone knows, the farmer operates in an economy which is, I must say, perfect in its competition, and he does not know he is in competition with his neighour.

Under this sort of situation the advantages of technological improvements are not retained by the farmer but are almost immediately passed on to other larger groups. I mention that as a justification for making this payment to farmers, and it has its roots in the economic phenomena of the perfect competition environment. So I say to anyone who wishes to help the position of western farmers that prime consideration should be given to that.

With regard to this payment of $41.3 million, perhaps 230,000 permit holders will receive approximately $200 per farmer; but in the aggregate it is a tremendous amount of money, and in my riding alone will amount to about $1,200,000. If you take communities where there are 500 farmers, at $200 per farm this would amount to $100,000 of additional purchasing power in the community. This sum should give a stimulus all along the line to small businesses and to all others in that area. For those reasons it is not only supported by the farmers but it is supported by all those who must rely upon the farmer and his income for a livelihood in those agricultural areas.

Let us analyse for one moment one or two of the statements made here today about what this government has done and link them up with the income of the farmer. I want to refer briefly to on article in the *Financial Post* of July 30, 1960, page 3. That article shows the incentive subsidies and the income subsidies over the years. In 1954-55 they amounted to $41.6 million; in 1955-56 to $51.4 million; in 1956-57 to $44 million; in 1958-59 to $116.9 million; in 1959-60 to $130.1 million; and in 1960-61 will amount to about $120 million or $130 million. In other words, there is 300 per cent more subsidies going into agriculture today than in the years between 1954 and 1957 under Liberal administration. How can the opposition and the hon. member for Essex East in particular answer that question and say that this government has done nothing for agriculture?

Mr. Martin (Essex East): I never said it did nothing. I said it did not do very much.

Mr. Kindt: Let me pass on now to one or two other matters and then I shall close and yield the floor to others. I should like to see the time when the farmers of western Canada receive $2 a bushel for their wheat. If it were possible to bring about a situation where wheat surpluses were taken care of and the farmers received $2 a bushel for their wheat, with a balanced economy and a greater population it would provide the farmers with the type of income they need. I do believe that inside of another 15 or 20 years there will be sufficient growth in population to take care of the productivity of the farms of western Canada and give these farmers that type of price for their goods.

However, as we all know we are faced with competition in world markets. We have had international wheat agreements. Every effort has been made to maintain prices to the farmer, and I just want to quote the price of western wheat No. 1 for 1958-59. The initial payment was $1.40; the interim payment was ten cents and the final payment was .09374, the farmers receiving in all a little more than $1.59 per bushel. The 1959-60 crop is expected to yield to the farmer for No. 1 wheat in that neighbourhood too.

So that the operation of the wheat board, which is a government monopoly is doing a grand job for the larger grain farmer. What he needs is larger quotas and a little more money would be helpful to bring him up to the international wheat agreement level; but he is not as badly off as the small farmer who we are trying to reach and help with this acreage payment. So I say that there is every justification for this acreage payment and I advance this argument believing that this payment is well conceived by the government and will be deeply appreciated by the farmers.

I might add that the province of Alberta, which has tremendous wealth by way of natural resources, which has a provincial budget of more than $325 million and about

80,000 farmers, might also give some consideration to matching the federal contribution of $200 per farm which would cost them about $16 million and bring the income of the farmer up to, say, $400, which would be something I am sure all the farmers would appreciate.

One other point on the cost of production side. The hon. member for Timiskaming said that the government should control the cost of production. I should like the hon. member for Timiskaming to tell me how he or anybody else could control the cost of production on my farm or on any other farm. It is beyond control of any government. If you are going to assist with the cost of production of the farmer it is necessary to go into the question of the price of farm machinery. An investigation is under way on this subject and hearings will be held next session and we are hoping that the results will be useful and helpful to farmers in the cost of machinery side of their operations.

This government has added new legislation like crop insurance, paying 20 per cent of the loss, and also this government instituted farm credit; and I need not go over all the other items which this government has put into effect.

In closing, may I say that there are 230,000 permit holders in western Canada. There are so many of them that if the government was to attempt to raise the level of each one to the point where I, and I am sure many other hon. members would like to see it, it would be a tremendous burden and it might place the industry itself in a position of instability. On the other hand, if the world surplus could be eliminated and we could by some means balance the supply and demand for wheat and get the farmer a price through that particular avenue I am sure that he and everyone else who depends upon agriculture would be tremendously benefited.

The government has made a tremendous move forward. The new programs which have been put into effect are costing over $100 million. In addition we come along with another $40 million in assistance to the agriculture of western Canada and when we get our story properly across to the farmers they will understand. They know about it because they have met in each of their particular locals and talked things over. They are extremely intelligent; they know the story just as well as all hon. members know it. When the story is told to them in an unbiased way they will certainly be 100 per cent in favour of the policies put into effect by this Progressive Conservative government during the past two or three years.

I met a delegation of farmers last Friday evening and I never heard a more enthusiastic group. They know that this government has given them every piece of legislation they have asked for in the last 50 years with the exception of deficiency payments. I can verify that by saying that I was once the president of the junior branch of the united farmers of Alberta, and built an organization of over 6,000 young people. Let me tell the hon. member for Essex East that we do not need to ask him about the problems of western agriculture. Farm people are starting to understand and speak up in favour of the things which this government has done, and show their appreciate because they know that the majority of the fine pieces of farm legislation which are on the statute books today and which agriculture is enjoying were put there by this Progressive Conservative government.

I should like to make a few remarks about cattle prices and then I am through. There was a floor price of $17.80 on good steers put in effect on April 1, 1959. Hon. members may ask what effect it has had since the price has been higher. It has helped those farmers with their income and I am relating it to the income of ranchers as well as farmers. This floor price is simply to project the income of those people who are trying to make a living by producing whatever types of commodities are best suited to their area.

One rancher came to me about two years ago and he was about ready to contract and to sell his calves on a five-year basis for 20 cents or 21 cents per pound, and he asked me what I thought. I said to him, "you know there is a new and improved farm floor price in effect; you can add the price of cattle together for the past ten years, divide it by 10 and multiply the result by 80 per cent and you have the floor price." Instead of this rancher going into the program and contracting his calves for the next five years he said, "No, I will take a chance; I will stand on my own feet with the help of the price stabilization act." What has happened? Two years ago he sold his calves for 32 cents a pound. Last year he sold them for about 27 cents a pound. He has made oodles of money as a result of not going into that contract and if it had not been for the price stabilization act he would have signed the contract.

Therefore, I say to you, Mr. Chairman, and to those who are inclined to criticize, that those acts may need some truing up, they may need some adjustment to fit the needs of agriculture, but they are doing a grand job. I wish to congratulate the Prime Minister, the Minister of Agriculture, the Minister of Trade and Commerce and all those who

assisted in bringing this legislation into being. I wish to congratulate the Prime Minister on his announcement of the acreage payment and to assure him and others that it has my full support.

Mr. Gundlock: Mr. Chairman, may I add a few words in support of this measure. In my constituency, which is one of the two in Canada that enjoys irrigation on a grand scale, the other being the constituency of Medicine Hat, represented by my colleague, over half a million acres are under the ditch. The farms are small and specialized compared with the large grain farms, and thus a larger number of farmers benefit from this type of government action than would benefit by a straight deficiency type of payment. These farmers would benefit only to a small extent from another type of payment owing to the fact that they grow and subsequently sell only a small amount of grain; in fact, just enough in many cases for their own use.

The point I want to make is of course that this announcement is more than welcome in my area owing to the fact that there are more small farmers and what we commonly call family farms than anything else. There is also the fact that a diversified area benefits from the announcement. No matter what the farmer specializes in, the acreage payment is by far the most equitable and the most desirable way for the government to fight the high cost of production that our family farms are experiencing today.

Through you, Mr. Chairman, I should like to emphasize that I feel quite strongly about the preservation of our family farms. These are not just farm units or a statistic, but a way of life in Canada that we in this house should be very much concerned about at all times. Very soon we shall have to concern ourselves to a much greater extent than we have in the past before the present government took office.

The present government, as we all know, has done a great deal along this line for agriculture and I must pause for a moment at this time to give praise to our Minister of Agriculture. Naturally, I am very proud to call him our minister and doubly so because I sit on the same side of the house as he does.

Without going into detail I just wish to say that it was largely through the efforts of the minister and his colleagues that western Canada in particular sent Conservative representatives to the House of Commons in Ottawa, not only as supporters of the government, but as members of the government. I can tell hon. members in this house that not only as a western member but as a farmer myself I have all the confidence in the world that the problems of agriculture, and particularly of western agriculture, will be dealt with properly and that this government will do a great deal along this line.

As a matter of fact, having listened often to hon. members opposite I should remind them of just a few of the products that are being stabilized under the Agricultural Stabilization Act. However, I will not take the time of the committee to go into detail because the statistics are available and well known to most of us. I am sure that even the hon. member for Essex East would have most of the statistics available if hon. members opposite would only consult him.

I wish to point out the greatly increased participation by the government in dealing with the cost-price squeeze that faces agriculture. As a matter of fact, when total expenditures are compared in the years immediately prior to and after the present government taking office we find that in some cases they were almost tripled by the present government. This bears out that the government has been very seriously and successfully doing a great deal toward solving the dilemma that confronts Canadian agriculture.

In considering further just what the particular payment now under consideration means, may I point out that the sum of money involved has been referred to by some hon. members opposite as a mere pittance, peanuts, and other such phrases. But I ask you, Mr. Chairman, can hon. members opposite describe that amount of money, which represents taxes collected from the people of Canada, by such phrases? I cannot do so and, as I said before, as a western member, as an actual farmer, I can only term this move toward equalization by the government and the amount involved as a very serious financial effort to come to grips with the problem that exists.

I also feel that by the time the next session begins further serious considerations will have been given to the alleviation of the pressing financial problems with which Canadian agriculture is faced. The provision of an acreage payment at this time is a most welcome and timely move by the federal government. I need not tell the committee what cash in the hand of western farmers means. We all know quite well how many times a dollar changes hands and assists the whole economy of a community. I have heard it said that by the time the circle is complete a dollar has changed hands something like eight times.

The hon. member for Essex East stated that the government has ignored the requests of the farmers of western Canada. May I remind

him once again that there are several members in the house representing western farmers who are in close touch with their constituents and are actual farmers themselves. I am a farmer, a member of parliament, and if the hon. member sincerely wants to know something about western agriculture I suggest that he should ask some of us who have spent a lifetime engaged in western agriculture.

In a truly diversified area such as mine with small farms specializing in such crops as peas, beans, alfalfa, sunflowers, onions and sugar beets, the grain farmers specializing in grain alone fulfil a need in rounding out the full circle and are not a deteriment as some people try to say. All the people in the whole diversified cycle benefit from a payment of this type.

Mr. Cadieu: Mr. Chairman, as a farmer and one who represents a large farming community I feel it is my duty to take part in the debate on this very worth-while item. Many farmers in my constituency, as well as people in all walks of life, will be very happy at the announcement made by the Prime Minister yesterday. Acreage payments will be very well received and, I might add, are greatly needed at this time by a large number of farmers. I am most pleased that the Prime Minister and the cabinet have taken heed of the views of western members of parliament, the many farm organizations and individual farmers who have requested acreage payments.

Many farmers and businessmen have been in favour of the two-price system. However, they realize the difficulty in making payment under such a system on a bushel basis and the danger of increasing wheat production. Because of that fact they feel that the measure now proposed is the fairest way in which payment can be made. I would take issue with the members of the opposition who spoke when the announcement was made yesterday and referred to these acreage payments as relief. This is not relief but is something that is due to the western farmer because of the price squeeze situation in which he finds himself and what he has to pay for the commodities he requires to operate his farm.

The government has brought in many measures which will assist agriculture. The government made an acreage payment on the same basis in 1958 which I know was appreciated by a great many farmers and businessmen. I am quite sure that a similar payment would have been made in 1959 if it had not been for some organizations that wanted to embarrass the government and put forward the idea of deficiency payments which would have cost some $325 million. They knew that the government could not accept this proposal inasmuch as it would have assisted the large grain producers to the greatest extent in that about 87 per cent of this vast sum would have gone into the pockets of about 27 per cent of the farmers.

I am aware that the proposal now before us will not be a cure-all for the problems of the western farmer but it will be a great help. I sincerely hope that the inquiry being made by the agriculture committee into the high cost of farm machinery will bear some fruit and that the item now before us will help the farmer to solve many of his problems. In conclusion, I should like to say that I fully support and endorse the acreage payment program.

Mr. Dinsdale: Mr. Chairman, down through the years there have been many discussions in the house of the problems of prairie grain farmers, particularly wheat farmers. I have sat throughout the entire debate and I must say I have never heard a better treatment and consideration of this continuing problem than that which has taken place today. I think it has been an excellent thing that so many western members have had an opportunity to contribute to the discussion because unfortunately there has been an attempt to convey the impression throughout the country that members from the western constituencies were not doing the job of representation that they had been sent to Ottawa to do.

Mr. Martin (Essex East): They have been prodded by the Liberal members.

Mr. Dinsdale: Notwithstanding that attempt to malign these hon. members I think it has been demonstrated that we have a very high standard of representation in the house. I am not going to speak at length tonight because during the years when I sat in the opposition I made many speeches on this important subject. The last major speech I remember was only three years ago, which is not a very long period in terms of history. At that time I urged the then Liberal government to launch a new program for Canadian agriculture. Those were the days when the minister of agriculture of that time was endeavouring to convince the farmers of Canada, particularly of western Canada, that they had never had it so good. Furthermore, the then minister of trade and commerce, a minister who bears such an important responsibility in matters pertaining to wheat farmers, was even denying the necessity at that time for a cash advance program.

I think it has become apparent here today that our western members are intimately and

closely in touch with the problems of our prairie farmers. The only criticism that we have heard, repeated several times in the discussions from across the way, have been to the effect that this program is to meagre, it will not solve all the problems of agriculture. Second, that there has been too much procrastination in launching the program. Those criticisms have been answered over and over many times. As a matter of fact, when we consider the long delay in coming to grips with agricultural problems of the former administration, obviously they need no answering whatsoever.

Much has been made today of the fact that this acreage payments scheme does not represent the true viewpoint of the prairie farmer. I have taken the trouble over the past three years to keep very closely in touch with the viewpoint of farmers in my constituency. I have met annually with the representatives of the farmers union. I have received many letters and have corresponded at length with representative farmers, particularly the president of the Manitoba federation of agriculture who was quoted here tonight by the hon. member for Wetaskiwin.

Typical of the expression coming from those sources, especially in letters expressing the viewpoint of individual farmers, is the notice of a meeting that took place in the town of Antler last April. This was a meeting held by the Saskatchewan farm union last April 7 at which Mr. Gleave spoke. At that meeting a motion was passed favouring acreage payments rather than deficiency payments on grain, in this way assisting all farmers. Antler is a typical agricultural community, and the viewpoint expressed in this formal resolution coming from that meeting is the viewpoint that I have heard expressed time after time in reference to the issue that we have been discussing here today.

The Conservative government has launched a new program, a national program for agriculture, that we in opposition during the years I sat in this house advocated year after year. This is not a new problem. As a matter of fact, I came into this house as a result of the growing protest back in 1951 because of Liberal inaction on growing agricultural problems.

Mr. Martin (Essex East): Surely not.

Mr. Dinsdale: I was competing against—and the hon. member for Essex East knows this—the dean of agriculture of the University of Manitoba, and the crux of the campaign at that time was the growing problems of the farmer. Nothing was done until 1957. We have made tremendous progress since that time, and I believe the item we have been discussing today is another long step forward in assisting the farmer, who after all will have to bear the real burden of solving his problems, in moving to a new period of prosperity in the agricultural industry.

Mr. More: Mr. Chairman, I am not a farmer; I am not a farm expert, but I am a representative from western Canada in this parliament of Canada. I am one of 47 the premier of Saskatchewan referred to some months ago as members who had never been heard of before, who had not been heard of since. He is a pretty good friend of mine. I realize that was a political sally with a bit of a barb in it, and I will not take him to task too much for having said that.

I do say this, though, that I have not cluttered up the pages of *Hansard* very much with words. I came here to act responsibly on behalf of my constituents and Canada as a whole. I will be quite satisfied to do that. The courses of action open to me have been courses which I could follow behind the scenes, courses which did not bring newspaper headlines, but courses with which I have been satisfied. They have brought the results I have been seeking, and as long as I can take that sort of action I will not speak very often in the house.

However, I feel obliged to rise on this occasion after listening to the debate today, particularly to the great expert of the Liberal party who put forward indignant criticism of the measure, made with such sincerity as he always evinces whenever he speaks on any subject, on any side of any subject, or in the middle even of the course that is being followed. I could not resist the opportunity that has been given to me to say a few words at this time. In his criticism the hon. member for Essex East directed some remarks to the delay of the Prime Minister and the government in taking no action in regard—

Mr. Martin (Essex East): "Procrastination" is the word I used.

Mr. More: —to a meeting with the farmers liaison committee of western Canada. I have suggested to him before when I have spoken, and I suggest to him today, that people in glass houses should well consider before they throw stones.

I think when he talks about delay in government action he should turn his mind back to the many, many years when the party of which he is such a capable member sat in this house as the government, and the delays that occurred then. I heard in 1919, I think, a Liberal spokesman put forward the idea of a national health scheme. Any action in that regard came, it seems to me, just before an election was called in 1956.

Mr. Martin (Essex East): On a point of order, Mr. Chairman. You have been very vigilant tonight in calling members to order. I am sure you will recognize the close relationship between health insurance and this program of farm acreage assistance.

Mr. More: I take note of the point of order of the hon. member for Essex East.

Mr. Martin (Essex East): Mr. Chairman, I would ask the hon. member to address his remarks to this subject.

The Chairman: The hon. member who had the floor may give an explanation and discuss the point of order raised by the hon. member for Essex East.

Mr. More: In talking this way, Mr. Chairman, I am only answering the criticism the hon. member has levelled at this government of delay in this measure. I am referring to delays that took place under the Liberal government of which he was a member.

An hon. Member: Many of them too.

Mr. More: I would like also to point out that it was the Conservative government who brought about the South Saskatchewan dam that is in progress today, after many, many years of Liberal procrastination preceded this action by this government.

Mr. McIlraith: On a point of order, Mr. Chairman: surely we have got to the stage in this committee where there should be some relevancy to the item under debate? The procedure has become a little ridiculous. We have had tax regulations discussed, the public health program and the South Saskatchewan dam. The item before the committee reads as follows—

Mr. Chambers: If the hon. member for Bonavista-Twillingate were here, he would talk about codfish.

Mr. McIlraith: Mr. Chairman, I think we are entitled to be heard, even though certain backbenchers on the government side have no knowledge of what the committee is about and what goes on in the house, and they do interject rather thoughtlessly. But perhaps their own remarks are an answer to the problem; perhaps their remarks contain the answer. But surely, Mr. Chairman, we are entitled to have some degree of relevancy applied to the debate on this item, and I would ask that you so rule.

The Chairman: I agree with the hon. member in principle, but the hon. member for Regina City is explaining why he was referring to health insurance. He did not continue to discuss this matter and I did not think I should intervene in those circumstances, because he was not continuing on the same subject. Again I draw the attention of the hon. member for Ottawa West to the fact that there is a difference between a reference to a matter and a discussion of a matter. The hon. member for Ottawa West in the course he has been following has been indirectly criticizing the ruling of the Chair. That is why I wanted to be clear on the point that I always make the distinction to which I referred.

Mr. More: Thank you, Mr. Chairman. I know it is getting late and the patience of the hon. members of the opposition is growing a little thin. I have listened diligently to the debate all day and am content to let the matter rest at this stage.

Coming from a business community in western Canada I feel I can say that this measure is welcome indeed for it will be of assistance not only to the farming community of western Canada but will make an impact on the business community of western Canada and eventually on the business community of eastern Canada. The impact will be very great indeed. I venture to say without being guilty of exaggeration that the final impact on the business community will be in an amount seven or eight times the amount we are voting here tonight, an amount of $294 million in its effect.

In closing let me say that I have confidence in the government of which I am a backbencher. That term does not bother me a bit. I have an opportunity to play my full part in that category and to represent my constituents well. I came here because I was interested and because I was confident that with the leader of the Conservative party we have there would be every expectation of curing many of the ills created over the years under the previous Liberal administration. We have made a long forward stride in that regard. The criticism coming from opposition benches and the concern they have for the future of this government is of little value and is of not very great concern to me.

They talk about unfulfilled promises and the promises that brought us here. I think on reflection they should consider that it was not our promises that brought us here. We were brought here by the lack of action on the part of the Liberal government over a period of over 22 years. The actions this government has taken I am convinced will have the effect of maintaining the confidence of the people whose support we will win again on the next occasion we go to the people for a mandate. I support this measure wholeheartedly.

Item agreed to.

Production and marketing branch—

500. Subsidies for cold storage warehouses under the Cold Storage Act—further amount required, $150,000.

Mr. Martin (Essex East): Mr. Chairman, this is a rather important item. When the main estimate was up the minister will recall that that night he was rather touchy, impatient and a little irritable. We did not get from him the account of that item which I think it warrants. Since we have had a long discussion today I think the minister ought to be given an opportunity of saying a word or two with respect to this item.

Mr. Harkness: I must say, Mr. Chairman, that my recollection of the last time this was up differs considerably from the recollection of the hon. member for Essex East. However, the purpose of this supplementary item is to cover new expenditures resulting from applications which have been made for assistance in building cold storages since the main estimates were prepared and brought before the committee. The total amount of these new contracts is $191,569. It is expected that an amount of $41,569 will be required in the current fiscal year because of the time it will take to construct cold storages and have them inspected and so forth. Therefore the amount requested is as it appears here, $150,000.

Mr. Martin (Essex East): Could the minister tell us how this vote will be divided among the various provinces?

Mr. Harkness: There is Shippegan Cold Storage Company Limited, $23,116.

Mr. Martin (Essex East): Where is that?

Mr. Harkness: Shippegan.

Mr. Martin (Essex East): I thought the minister said "shipping".

Mr. Harkness: No, Shippegan Cold Storage Company Limited, $23,116; Lorrainville, $24,038; Leamington Vegetable Growers Co-operative Limited, $50,000; Monashee Co-operative Consumers Limited, $37,748; Sanford Co-operative Consumers Limited, $6,667.

Mr. Martin (Essex East): How does that compare with last year? My hon. friend introduced a supplementary item last year. His estimating was out as it apparently was again this year. How does this compare with the supplementary estimate provided last year?

Mr. Harkness: I do not have that information here, but I shall be glad to obtain it and send it to the hon. member. The hon. gentleman says that the estimating appears to be out. The point is that you cannot very well estimate for expenditures of this kind. It depends on the number of contracts that come in and are approved. There is no means by which you can estimate with any degree of accuracy how many of these will come in.

Mr. Martin (Essex East): My hon. friend says he does not have the information. Perhaps he could let the item stand and we will proceed to item No. 501. I believe that hon. members are entitled to have this information from the minister when they are considering a supplementary estimate of this kind. Perhaps the Minister of Finance who has been unusually attentive tonight could give us the answer. After all, that hon. gentleman has to concern himself with these matters as head of the treasury board.

Mr. Harkness: Mr. Chairman, I do not know that it is of sufficient interest to delay the committee. I have already suggested to my hon. friend that I would be glad to send him the information and I would think that should be sufficient.

Mr. Martin (Essex East): The minister may not be interested but other hon. members on this side may be.

Mr. Chambers: Essex county is getting more this year than last so you should be happy.

Mr. Martin (Essex East): We have no objection to the Minister of Finance seeking to reply. It will not be the first time.

The Chairman: Shall the item carry?

Mr. Martin (Essex East): The item is not carried.

Mr. McIlraith: Mr. Chairman, may we have an answer from the minister?

Mr. Harkness: The hon. member for Essex East asked what the amount of the supplementary was last year. I have not got that information here as I explained to the hon. gentleman. I said I would be very glad to obtain it and send it to him and I think that should be sufficient under the circumstances.

Mr. Martin (Essex East): The minister may think it is sufficient but in this committee each hon. member must take his own position and accept his responsibility as he sees it. Can the minister tell us whether or not the supplementary estimate last year was as high as this year or was it less?

Mr. Harkness: I have no recollection of whether it was larger or smaller than this.

Mr. McIlraith: What was the total expenditure on this item for the last fiscal year both in the main and supplementary estimates? What amount was being spent?

Mr. Harkness: Last year, as far as the main estimate was concerned, it was $433,510; that was 1959-60.

Mr. McIlraith: What was the supplementary?

Mr. Harkness: As I say, I do not know what the supplemenetary was. I cannot carry these figures in my head as the hon. member well realizes.

Mr. McIlraith: Mr. Chairman, the minister is asking the committee to vote a supplementary item and when asked a simple question as to what the amount was last year he complains that he cannot carry the figures in his head. There can be no criticism of him for that but there can be criticism of him for not doing the committee the courtesy of bringing the information with him when he comes before us with this estimate.

Mr. Harkness: Mr. Chairman, I have already said I would get the information and supply it in response to the hon. member for Essex East. All that hon. members opposite are doing this evening are engaging in obstruction.

Mr. Habel: Oh?

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the minister has stated that we are now engaged in a process of obstruction. This coming from a minister whose estimates have been attended tonight by a whole series of speeches made by hon. gentlemen opposite for the sole purpose of preventing this house from voting on amendments having to do with old age pensions—

Some hon. Members: Order.

An hon. Member: On a point of order.

The Chairman: I can only hear one point of order at a time, but I must remind the hon. member for Essex East that he must not impute motives to any hon. members.

Some hon. Members: Withdraw.

Mr. Martin (Essex East): You will recall that when points of order were raised earlier tonight there was not the same vigilance despite the obvious fact that hon. gentlemen were violating the rules of order—

The Chairman: Order. I cannot permit the hon. member to proceed along that line in criticism of the Chair. He may do it tomorrow if he wishes after he has consulted the record. I do not think his comments are fair and I shall not tolerate his continuing along that line.

Mr. Harkness: On the point of order—

Mr. Martin (Essex East): My point has not been dealt with. The hon. gentleman charged us with obstruction, and I have asked you to ask the hon. gentleman to withdraw that statement.

Mr. Fleming (Eglinton): There is no point of order involved in that.

Mr. Martin (Essex East): Mr. Chairman, I rose on a point of order.

Mr. Harkness: I am speaking on the point of order at the moment. I do not think there is any point of order involved, but if the hon. member takes such objection I will gladly withdraw the word "obstruction".

The Minister of Finance has now been kind enough to supply me with a copy of the Appropriation Act of last year which says that the supplementary estimate covering this item last year was $198,010.

Mr. Martin (Essex East): I thank the Minister of Finance for that information.

Mr. McIlraith: Can the minister tell us whether this is expected to be a continuing item and what requests are coming in now?

Mr. Harkness: Certainly this is expected to be a continuing item. However there is no means of telling what the number may be in any one year; it varies a great deal from year to year.

Mr. Martin (Essex East): The minister says applications are coming in regularly. Am I not correct in saying that he anticipated on his main estimates that there would be a curtailment of assistance from the federal government in connection with this cold storage?

Mr. Harkness: What I actually said was that we had put a limit of $50,000 as the maximum amount of assistance available in respect to one of these cold storage plants, and that automatically cuts down the number of applications. Some of the big commercial concerns which were building cold storage plants costing $1 million and upward cannot now obtain a subsidy from the government amounting to more than the figure I have mentioned, and therefore the people who were chiefly taking advantage of this are in a different position.

Item agreed to.

Dairy products division—

501. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvement Act—further amount required, $143,327.

The Chairman: Shall item 501 carry?

Some hon. Members: Carried.

Mr. Martin (Essex East): No. Mr. Chairman, these are being called so quickly that one hardly has a chance—

An hon. Member: Be fair.

Mr. Martin (Essex East): Hon. gentlemen are saying "be fair" but surely we should have the opportunity to discuss the use of these moneys which are being asked for by the government.

This is an important vote amounting to $143,000. Can the minister give us any information as to who are receiving these grants in accordance with this particular arrangement?

Mr. Harkness: Yes, I shall be glad to do that. The first of these is the Green Valley Cheese factory of Ontario, $4,620; the next is Fernand Sabourin of Hammond, Ontario, $49,450; the next is the Agricultural Society of Normandin, of Normandin, Quebec, $60,000; and the last is the Pine River Cheese and Butter Co-operative of Ripley, Ontario, $29,257.

Item agreed to.

504. Contributions to the governments of the provinces of Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one half the amounts paid by the governments of those provinces in respect of the transport of fodder, straw and other livestock bedding and the movement of cattle to feed from the 12th day of October, 1959, to the 30th day of April, 1960, $261,500.

Mr. Martin (Essex East): This is the contribution to the governments of the provinces of Alberta, Saskatchewan and Manitoba in connection with half of the amounts paid by the government to those provinces with respect to the transport of fodder, straw and other livestock bedding and the movement of cattle to feed from October 12, 1959 to April 30, 1960. Would the minister care to give us an explanation at this late hour of the night?

Mr. Harkness: An amount of $300,000 was voted in the supplementary estimates of 1959-60 to provide for these payments to the three prairie provinces concerned in accordance with the agreements which had been made to assist in the transport of fodder, under the adverse weather conditions and in view of the shortage of feed which prevailed. As it happens, the provinces were very slow in getting in their claims. No item was put in the main estimates for 1960-61 but up to the time that the vote ran out they had put in for only $58,355 of the $300,000 which had been provided. So this is in effect a revote of that money so that the claim can now be paid.

Mr. McIlraith: Do I understand that the $300,000 was the limit under the original estimate?

Mr. Harkness: We made an estimate that it would be $300,000, but the claims which have now been put in amount to somewhat more than that. The actual claims which have now come in and which remain to be paid amount to $261,500 and there was $58,355 put out on the other vote.

Mr. McIlraith: Is it expected there will be more claims, or are these the final claims?

Mr. Harkness: These are the final claims. This will close the thing up.

Mr. Martin (Essex East): Eleven o'clock.

Mr. Churchill: This is the last item under agriculture. Won't you let it pass?

The Chairman: It being eleven o'clock I will rise and report progress.

Resolutions adopted this day in committee of supply reported and concurred in.

BUSINESS OF THE HOUSE

Mr. McIlraith: I should like to ask the leader of the house if he would be good enough to indicate the order of business before the house.

Mr. Churchill: Business will be taken in this order: continuation of the estimates of the Department of Trade and Commerce, followed by those of the national research council, followed by those of the atomic energy board. The general program of the two latter organizations was considered in the committee on research which met earlier in the session. Then after those items are finished the house will have left before it only the estimates of the Department of Finance and of privy council, one supplementary estimate in agriculture and one supplementary estimate in external affairs. That is the only business before us now.

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

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

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

576. Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely:

$1.00 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

Production and marketing branch—

500. Subsidies for cold storage warehouses under the Cold Storage Act—further amount required, $150,000.

Dairy products division—

501. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvement Act—further amount required, $143,327.

Fruit and vegetable division including maple products and honey—

502. Assistance in construction of potato warehouses under terms and conditions approved by the governor in council—further amount required, $113,775.

Plant products division—

503. Contributions to the governments of the provinces of Alberta, Saskatchewan, and Manitoba, in accordance with terms and conditions prescribed by the governor in council, of one half the amounts paid by the governments of those provinces to farmers in respect of their 1959 unharvested crops to a maximum of $300 in respect of any one farm; and to authorize, in accordance with terms and conditions prescribed by the governor in council, contributions to the governments of those provinces (or their municipalities) in respect of the administrative costs incurred by them in making such payments to farmers, $1,060,000.

HOUSE OF COMMONS

Wednesday, August 10, 1960

The house met at 11 a.m.

BUSINESS OF THE HOUSE

WITHDRAWAL OF BILL NO. C-6, RESPECTING CAPITAL PUNISHMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, with leave of the house I should like to refer to a question I was discussing the other day, namely the undertaking to provide another day for the discussion on the bill on capital punishment. Since the discussion took place on the last occasion, and as this is not a government matter but rather one for the hon. members concerned and the house in general, I think the matter might be dealt with by each of the private members particularly concerned as mover and seconder of the bill. I simply point out that the attitude taken by myself on behalf of the government was that in view of the great importance of the subject another day was required, and the government would be prepared to expedite the opportunity.

Mr. Frank McGee (York-Scarborough): With the consent of my seconder, and in view of conversations I have had with members in all corners of the house since this matter was discussed, I should like the unanimous consent of the house to withdraw Bill No. C-6 standing in my name.

Mr. Harold E. Winch (Vancouver East): Everyone knows of my keen interest in this matter and my desire to see the objective of the abolition of capital punishment achieved. If I thought progress could be made toward the achievement of that objective by a further day's discussion at this time in the session, I would ask for leave to proceed with the additional day. However, after due consideration it is my firm conviction that nothing can be gained by continuing the debate at this time, so for the furtherance of the objective I will agree as seconder to ask the unanimous consent of this house for withdrawal of the bill.

Mr. Speaker: Is the house prepared to give unanimous consent that the bill be withdrawn?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Order discharged and bill withdrawn.

79951-0—497

UNITED NATIONS

INTERNATIONAL DEVELOPMENT FUND—SIGNING OF ARTICLES OF AGREEMENT

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think hon. members would be interested to know that at a special ceremony held yesterday afternoon in Washington, Canada joined with the United States and Honduras in signing the articles of agreement of the international development association. This brings to ten the number of countries which have signed the articles of agreement. The articles were signed for Canada by the charge d'affaires at the Canadian embassy in Washington.

Hon. members will recall that the association will not commence its operations before September 15, 1960, and that the articles of agreement will not come into force until they have been signed on behalf of governments whose subscriptions comprise not less than 65 per cent of the total subscriptions of $1 billion. Ten countries, accounting for 43.1 per cent of the total subscriptions, have now signed the articles. They are Australia, Canada, Norway, Sweden, United States, China, Ecuador, Honduras, Pakistan and Vietnam. The international bank is aware of legislative action having been taken in seven other countries, including the United Kingdom and Germany. These seven countries together with the ten which have already signed the articles account for 63.7 per cent of the total subscriptions.

Hon. Paul Martin (Essex East): Mr. Speaker, we have already had considerable discussion in this house on the international development association. I want to congratulate the Secretary of State for External Affairs on the satisfactory conclusion which has been announced by the Minister of Finance. I also want to recognize, as the house will recognize, the penetration by the Minister of Finance into foreign affairs as well as into domestic financial problems.

Mr. Pearson: In a friendly way, of course.

STARRED QUESTIONS

C.B.C. PROGRAMS "CAPITAL REPORT" AND "ENCORE"

Question No. 209—**Mr. Carter:**

1. What is the name of the person in the Canadian Broadcasting Corporation who has direct over-all responsibility for the production of the programs "Capital Report" and "Encore"?

Starred Questions

2. What is the name of the person or persons who compile "Capital Report"?
3. How are the commentators on "Capital Report" selected?
4. Are the reports from foreign countries on "Capital Report" live broadcasts or recordings?
5. If recordings, how long are they prepared in advance?
6. Is Felix Green employed as a commentator by Canadian Broadcasting Corporation? If so, since when?
7. How many broadcasts has he made?
8. Were his first and second reports from Peking live broadcasts or recorded?
9. If live broadcasts, when was he notified that he would be on the air? If recorded, how long was it prepared in advance in each case?
10. How many times has the play or T.V. adaptation of a play been broadcast over the Canadian Broadcasting Corporation entitled "The New Men" and on what dates?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, this is a ten-part question. For the sake of brevity I will merely read the replies, which are as follows:

1. "Capital Report" and "Encore" are arranged and produced by the C.B.C. talks and public affairs and drama departments respectively. Responsibility for all C.B.C. programs rests with the management of the corporation.

2. As above.

3. The commentators for "Capital Report" are selected from persons with journalistic or broadcasting experience and a knowledge of the happenings in the capital from which they are commenting.

4. Reports from Ottawa and Washington are normally live broadcasts. Commentaries from capitals outside the North American area are submitted by tape or disc recording or are recordings of commentaries transmitted by short wave or cable.

5. Recordings are made as close as possible to the actual broadcast date to maintain their topicality. Occasionally material of a more general nature is used when distance or other circumstances make difficult the rapid delivery of broadcast material.

6. Felix Green, as a freelance commentator, has contributed to programs broadcast by the C.B.C. but is not an employee of the corporation.

7. Eight in 1959 and three in 1960.

8. Mr. Green's two broadcasts from Peking were tape recordings.

9. The corporation has no exact knowledge of the time of recording. However, the tape recorded commentary of July 10 was received July 8 and the commentary of August 7 was received August 2, 1960.

10. "The New Men", an adaptation of Sir Charles Snow's novel, was first telecast September 27, 1959 and was repeated on August 7, 1960 in the "Encore" series.

[Mr. Carter.]

QUESTION PASSED AS ORDER FOR RETURN

IMPORTS OF U.S. AUTOMOBILE PARTS

Question No. 433—**Mr. Hanbidge:**

1. What customs duties or taxes, if any, are imposed on automobile parts brought into Canada from the United States of America (a) for the manufacture of new cars; (b) for repairs?
2. What percentage of parts required in assembling or manufacturing automobiles in Canada may be imported from the United States of America (or elsewhere)?
3. What percentage of parts used in new automobiles manufactured or assembled in Canada are supposed to be made in Canada?
4. What is the value of the automobile parts that have been imported into Canada from the United States of America in each of the calendar years from 1951 to 1959 inclusive?

UNITED NATIONS

DISARMAMENT—CANADIAN REPRESENTATION AT AUGUST MEETING OF COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder whether the Prime Minister can inform the house whether arrangements have been made for Canadian representation on the disarmament commission of the United Nations which I believe is to meet next week.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the meeting is called for August 16 at three o'clock in the afternoon, and it has been decided that the Secretary of State for External Affairs will be present on that occasion representing Canada. I am sure the house and the country will welcome the fact that he will accept this position and will attend, because of the extent to which he has given outstanding leadership in his endeavour to bring about an agreement on disarmament.

INQUIRY FOR RETURN

LICENSING OF TELEVISION SATELLITES, SLOCAN VALLEY AND ARROW LAKES, B.C.

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Secretary of State. In view of the fact that there is a possibility that the house might prorogue tonight, I should like to ask whether it is possible to have tabled the order for return which was ordered on Wednesday, July 20, under notice of motion No. 129, in the name of the hon. member for Kootenay West.

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, I just signed the return; it will be tabled immediately.

(Translation):

HOUSING

MONTREAL-FEDERAL PARTICIPATION IN LIMITED DIVIDEND PROJECTS

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, would the Minister of Public Works confirm or deny the rumour to the effect that the federal government is about to apply foreclosure on some limited dividend housing projects in the city and district of Montreal?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, for the moment I cannot confirm that.

Mr. Loiselle: A supplementary question. Could the minister also tell us how many of those projects are in default at this time with regard to payments due, and what steps have been taken in each case until now?

(Text):

Mr. Speaker: I think the hon. member, when he asks for statistical information of that kind, unless he has given notice would be well advised to put his question on the order paper; it is not a proper question for the orders of the day.

IMMIGRATION

STATEMENT ON REPORTED REFUSAL OF VISAS FOR JAPANESE STUDENTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to ask the Minister of Citizenship and Immigration whether she is in a position to give the house information on the two Japanese students about whom I asked a question yesterday.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Yes, Mr. Speaker. The hon. member for Vancouver East in his question yesterday appears to have been referring to two Japanese nationals who applied for non-immigrant visas from the Canadian visa office in Rome on July 15. When they made their application they stated that their purpose was to visit Canada for three months, during which time their expenses would be paid by a friend. As they did not have evidence of onward transportation from Canada, nor possess sufficient funds to pay for their transportation and meet their living expenses while in Canada, visas were refused.

Later the same day the students returned to our Rome office and gave the true purpose of their visit. They were to come to Canada at the invitation of an organization to conduct a speaking tour on nuclear disarmament. The information was forwarded to Ottawa for decision with a request that the decision be dispatched to the Canadian visa office in The Hague, where the Japanese applicants were proceeding from Italy. On July 25, before an investigation had been completed in Ottawa and a decision sent to The Hague, the students, who would not give our office their address in the Netherlands, withdrew their application for visas, indicating that they planned to return to Japan.

This difficulty might have been avoided had these young gentlemen applied for visas at the Canadian embassy in Tokyo in advance of their trip, or if their sponsoring organizations in Canada had brought the request to the department's attention.

(Translation):

BUSINESS OF THE HOUSE

REQUEST FOR LIST OF OUTSTANDING RETURNS

On the orders of the day:

Mr. Armand Dumas (Villeneuve): Mr. Speaker, may I ask the Acting Secretary of State a question? Of all questions passed as orders for return, how many have not yet been tabled? Moreover, can the Acting Secretary of State tell us if those returns can be tabled before adjournment?

Hon. Leon Balcer (Acting Secretary of State): Mr. Speaker, to my knowledge, there are one or two returns that have not been made yet. However, I would draw the attention of the house to the fact that a very large number of questions were put to the government this year and that many of those questions have been passed as orders for return. To date we have made an effort to act with dispatch and I believe that the work accomplished by the government in this respect deserves to be mentioned.

LABOUR CONDITIONS

MONTREAL—STATEMENT ON REPORTED LAY-OFF OF EMPLOYEES AT ORDNANCE DEPOT

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in answer to the question which the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) asked me yesterday, I want to inform him that the figure he mentioned yesterday was inaccurate. It seems that, as from September 15, there will be a reduction of about 52 employees at the Montreal ordnance

depot. The actual number might conceivably be less than 52, but it is rather difficult to tell beforehand what the exact number will be. However, the department, together with the civil service commission and the national employment service are trying to find employment for those people who will have to leave their jobs on or about September 15.

(Text):

HUMAN RIGHTS

HOUSING—PREVENTION OF DISCRIMINATION BECAUSE OF COLOUR

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Minister of Public Works. Is he now in a position to announce how Central Mortgage and Housing Corporation will ensure that housing loans will not be denied to Canadians because of their colour?

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker. As I have told the hon. member for Essex East, who is not only an authority on agriculture but also on this subject, in due course all this will be attended to. Because of the many times he has asked this question, we are making particular efforts to see that nothing is left wanting, and a decision will be made in due course.

Mr. Martin (Essex East): Does the minister not recall having indicated that once the bill of rights was passed there would be an announcement forthwith from the government on this matter?

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

390. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $2,630,716.

Mr. Pearson: Mr. Chairman, I just have a simple question to ask the minister on this item arising out of our desire on this side to secure the basis of the minister's optimistic predictions about our trade and our economy. My question is this. Among the reports which the minister receives from the economics branch, is there one prepared in the first part of the year giving the economic outlook for that year, as has been the case in the past? If there is such a report, could the minister give us the title of that report?

Mr. Churchill: Mr. Chairman, I want to make it very clear that there has been no change in the giving of information by the economics branch to me and the transmitting of that information to the government where necessary. I have asked that monthly reports be sent to me from the economics branch and that periodic forecasts be given to me indicating what, in the opinion of our economists, lies ahead in the few months, or the remaining months, of the year. This has been done.

I found that the report which has evoked so much interest was being issued in March as a forecast for the balance of the year, and as the economic climate changes so rapidly it appeared to me that it would be wiser to have a series of reports that would keep a person up to date on economic matters.

It was on the basis of one of those reports that I gave the economic outlook for the balance of 1960 when I spoke on the subject last week. Now, that is what is going on; there has been no restriction whatever in the amount of advice given by or sought from the economics branch of the department. I am convinced that the method that has now been introduced is better and keeps me better informed from month to month as to the trend of economic activity in Canada.

Mr. Pearson: The minister has indicated that there is a series of reports to him from his department on the economic outlook. But I gather from what he has said that there is also, amongst that series, a single report on the economic outlook and the prospects for the current year, and that he still uses such a report as advisory to him on which he can base his own predictions of what might happen.

Mr. Churchill: Just one correction there; there is not a single report, but periodically I ask for the outlook with regard to the months that lie ahead.

Mr. Pearson: Then from what the minister has now said there is, I gather, no report being produced now of the kind that has been produced in previous years, called the economic outlook for the current year.

Mr. Churchill: That is correct.

Mr. McIlraith: Mr. Chairman, I should like to ask the minister for some information concerning the Export Credits Insurance Corporation legislation, with particular reference to the amendment which was passed in 1959, having to do with permitting the corporation to guarantee certain export credits and to buy and sell certain export paper. I would call to the minister's attention the fact that I directed a question to that subject, in the early part of the session, and the answer seemed to indicate that this new provision had not been used up to that time. Would the minister advise the house as to whether or not that section of the act has since been

used, and what volume of paper has been guaranteed or bought or sold, as the case may be?

Mr. Churchill: This section is still available for use, but no use has been made of it up to the present. It is an undertaking to guarantee bank loans for export purposes, but no use has been made of it yet.

Mr. McIlraith: When the legislation was before the house a year ago I for one expressed the view that it would help to meet the needs of the export business in this country. I think, if I recall correctly, the minister expressed the same view. I am now rather surprised to find that no use has been made of those provisions. Could the minister give us any idea why the provisions are not being used?

Mr. Churchill: There was considerable demand for this at the time, and that caused us to bring in the amendment. But apparently our exporters are finding sufficient protection under the export credit insurance factors of that act, the earlier sections, or have been able to get credit for their export purposes without calling upon the government to make the guarantees; or, alternatively, the banks have not requested any guarantee from the government.

Mr. McIlraith: What I want to know is this. Is it a matter of the exporters not applying for guarantees for the export paper; is that right?

Mr. Churchill: Yes, that is correct.

Mr. McIlraith: There is just one more subject I want to raise. On August 6 a return was tabled by the minister having to do with the Export Credits Insurance Corporation with particular reference to the authority issued in June 1959 concerning the sale by Canadair Limited of five freighter aircraft, including engines, in the amount of some $26 million to Seabord and Western Air Lines Incorporated, New York. As I understand the matter it has been necessary for the government to approve a rearrangement of this transaction owing to financial difficulties on the part of the purchaser. This rearrangement involves a rather substantial postponement of the payment of the purchase price. Is that correct?

Mr. Churchill: This is the sale of the CL-44's to this United States firm, and a refinancing was occasioned by some difficulties in the company. However, the whole project was re-examined by the Export Credits Insurance Corporation and the refinancing was found to be satisfactory and sound, but we had then to make the change in the order in council which had preceded this one and give our approval under the new term.

Mr. McIlraith: The minister says the refinancing was found to be satisfactory and sound. It may have been satisfactory in the circumstances but I do not know how sound it was, because it does seem that there is quite a lengthy postponement of the payment provisions. I am not necessarily criticizing the government for issuing the order, because I take it they were confronted with the situation where there was a serious financial difficulty on the part of the purchaser and this was an attempt to keep the purchaser solvent and out of bankruptcy in order that the contract could be carried out.

I would like to know whether there are other contracts in a similar position to this.

Mr. Churchill: No. As the hon. gentleman knows, the record of Export Credits Insurance Corporation has been excellent over the years. He has examined it very closely on other occasions. This particular contract was considered to be of such importance—and it is of great importance to the aircraft industry in Canada to sell a transport plane to an organization as important as Seaboard and Western in the United States—that Export Credits Insurance Corporation thought it advisable to re-examine the new proposition with the greatest of care; and using their business judgment, which has proved to be excellent over the years, they recommended that this change should be accepted and that was done. It may not be as sound an arrangement as most of the insurance contracts which are entered into; nevertheless, after looking into the matter very carefully we decided that this was within the scope of Export Credits Insurance Corporation's authority and we accepted their advice because we found they have been so accurate in the past in their examination of these matters.

Then of course, as the hon. gentleman knows, prior to concluding any such contract a very careful examination is made of the financial competence of the company that is asking for assistance, and that was done in this case. All these things being taken into consideration, we thought it worth while to carry this on under the new term.

Mr. McIlraith: I take it from what the minister says that this is an isolated case. What I am more concerned about is whether there is any difficulty looming before the corporation created by other cases of this type.

Mr. Churchill: No, this is an isolated case.

Mr. Nasserden: Mr. Chairman, the Department of Trade and Commerce is, of course, one of the most important departments of government and covers a great range of activity, all of which is important to Canadians in all parts of this country. The minister is carrying a heavy burden, and I would like to congratulate him on the leadership and inspiration that he has given to all of those who have been associated with the marketing of Canadian grain in world markets.

During the past three years competition in the grain trade has multiplied, and it is a significant tribute to his efforts and those who carry out the details that sales of Canadian grain have been maintained at the high level at which they are today, which has characterized the record of this government since they came to office.

This year marks the 25th year of orderly marketing of western grain. Throughout that period of time great changes have taken place in both the production and the marketing of grain. Transportation patterns have changed somewhat, and in general there has been a gradual decline in the per capita consumption of flour. The Canadian wheat board was originally organized and created by a Conservative government, at the request of western farm organizations, to achieve the orderly movement and sale of wheat. That program was so overwhelmingly endorsed and supported by western grain producers that at a later date legislation was sought and achieved to bring oats and barley into the some operation.

On this occasion, when we are thinking in terms of the 25th anniversary of the formation of this board, I think it should be recorded here in the House of Commons that farmers are well satisfied with the operations of the board over that long period of years. It is true that there is some desire to see the effectiveness of the board improved and increased, but the substance of these suggestions is primarily a matter of government policy.

The value of orderly marketing has proven itself many times during the past 25 years, and the years of rust, frost and excessive moisture have vindicated the actions of the Conservative government which gave to the agricultural people of western Canada this instrument to protect themselves. Many of those who were strong opponents of orderly marketing 25 years ago have been converted, and about the only segment of the grain trade that remains aloof and alone to criticize orderly marketing are those who would like to see the futures market monopolize the marketing of Canadian grain.

[Mr. Churchill.]

There is one matter that I have discussed with the minister and members of the Canadian wheat board which has not been given the serious consideration that I would like to see. That is the situation with regard to those who have joined together to engage in a co-operative farm in order to try to improve their returns through the savings that can be made by pooling equipment, labour and resources. The arbitrary ruling now in effect concerning quotas discriminates against these people, and I am surprised that this matter has not been dealt with at this time, since it has been brought up many times. I would remind the minister that despite the fact that there are a limited number of people involved, it is a matter worthy of his usual brisk dispatch.

As hon. members all know, we have taken great pride in the standards set and maintained which have made Canadian wheat known throughout the world as hard red spring wheat. I wonder if the minister would give us some indication of the position with regard to the production of soft wheat in Canada, and the possibility of transferring some of our production along these lines to diversify our supply for prospective customers?

There is another matter that I have been asked about by many people, and it has to do with the progress being made by the small business section of the Department of Trade and Commerce. I assure the minister that there is a great deal of interest in this matter throughout the country, and the inquiries I get seem to indicate a desire for the extension of the services of this section. I wonder if the minister would give us a review of the present situation with regard to possible expansion of this branch.

Canada has been blessed with bountiful supplies of oil. Enterprising businessmen have dedicated their lives to the development of this resource. It is one of the most romantic chapters in the history of this country. There have been reports of oil imports from other countries into the natural marketing perimeter of some of our best oil reserves. I would like the minister to give us a summary of the position in regard to the import and export of petroleum products.

As hon. members are all aware, one of the great problems facing this country and its agricultural producers is the surplus of wheat which, while diminishing under the present administration, is still a matter of concern to all of us. I am heartily in agreement with the hon. member for Danforth and others who have indicated that more imagination could be brought to play in the marketing of all Canadian products. However, I am also convinced that part of the solution lies in

the encouragement of a balanced agriculture production. Several weeks ago I indicated that incentive prices under the stabilization program might be an effective aid in this regard. At this time I am thinking particularly of soybeans, and I should like to know if the minister could tell us whether there is any obstacle in the way, such as might affect our trade in general, to this government embarking upon a program to encourage soybean production in certain wheat producing areas in Canada with a view to reducing our total wheat production and supplying from Canadian farms the demand which apparently exists in this country for soybeans.

Finally, I should like to see placed on the record some indication of the situation with regard to wool and woollen products in so far as there products enter into our trade with other nations. I should be interested to know the value of imported woollen products, and I should also like to know if any raw wool has been imported. There are areas in western Canada where wheat is now being produced which are ideally suited for the production of wool and lambs. The past 10 or 12 years have seen the elimination of a number of textile plants along the St. Lawrence river, and I wonder whether the minister would care to venture an opinion as to the feasibility of promoting wool production and relocating of some of these plants in western Canada.

In conclusion I should like to compliment the minister on his realistic approach to Canada's trade problems. All of us admire the job he is doing. As we look out on the world today and realize the extent of the offensive now being mobilized against our way of life, an offensive that embraces and extends into all our trading problems, I cannot emphasize too strongly the importance of this country recognizing that offensive for what it is and taking the steps necessary to bring an awareness of the resulting problems and challenge to the attention of the general public. Those in industry at all levels must be brought face to face with the consequences of this offensive to everyone in our country unless some measure of sacrifice is made to maintain and expand our industrial capacity.

It would appear to me that some of the plants which have been closed down during the past 10 or 12 years were the victims of the rigidity of attitude of those who would not acknowledge that competition is the life blood of industrial well-being. The fault has not been with labour alone; it must be shared by management and owners as well. In a land so blessed with natural resources, inhabited by a people who pride themselves on their know-how, these closed factories and manufacturing plants surely represent a challenge worthy of more initiative by those most directly concerned than has yet been apparent.

Mr. McIlraith: On Saturday, near the conclusion of the proceedings that day when the Prime Minister was speaking, he referred to the number of unemployed as of June, 1957 as being over 200,000. My colleague the hon. member for Essex East interjected "150,000". Then later, in the somewhat warm discussion that followed, the Prime Minister returned to the subject and gave the national employment service figure, as I recall it, although it does not appear in *Hansard*; there were some interjections and the figure seems to have been lost in the interjections.

In any event, I want to place on record the figure taken from the news release issued jointly by the Department of Labour and the dominion bureau of statistics headed "The Employment Situation, June, 1957". The figure there of people looking for work on June 22, 1957—people without jobs and seeking full time work—is shown as 152,000.

Mr. Pearson: There is one question I wish to put to the minister before this item carries, and it is based on a statement made by the minister on March 21, as reported on page 2295 of *Hansard*, which reads:

> Apart from the problem of lead and zinc, Canada's access to United States markets was unaffected by any major adverse developments.

Does the minister feel that is still the situation with respect to our access to United States markets during the current year?

Mr. Churchill: What is the page?

Mr. Pearson: Page 2295, on March 21 of this year. What I have in mind when I ask the minister whether he still subscribes to that statement is whether he would not agree that the action or lack of action taken by the United States government with regard to our uranium option is bound to become, if it has not yet shown itself to be, a major adverse development in our access to United States markets.

Mr. Churchill: I would accept the correction made by the Leader of the Opposition. The statement should have been "Apart from the problems of lead, zinc and uranium".

Before the item carries, perhaps I should say in answer to the hon. member for Rosthern, who is very much interested in the work of this department and has a great knowledge of most of its aspects, that I will take up the question of the quotas concerning co-operative farms with the wheat board

to see if a new look may be had at that question and perhaps a more satisfactory answer produced.

On the subject of soft wheat, I am not sure I can give an answer to that today. Most countries of the world are producing soft wheat. We are in the enviable position of being a great producer of hard wheat, which gives it a special position in world wheat trade. The soft wheat that is produced in this country is largely grown in eastern Canada, I think. Most of it is consumed here in eastern Canada, and some is exported to the United States as flour for pastry purposes.

On the subject of small business, the branch has been quite active in assembling a great deal of information and keeping in contact with small business throughout the country. The branch has acted in accordance with the terms of reference that were given to it when the subject was discussed in the House of Commons in 1958.

The small business branch was to act as a clearing house in relaying inquiries by small business to the appropriate departments of the Canadian government or provincial and municipal governments, and to various other organizations and institutions. That is what it has done. It was instructed to compile and distribute bulletins and reports on topics of general interest to small business, including information on government procurement, and that has been carried out. It was asked to assist small business on request, to obtain statistical, technical and other information on management, production and marketing problems, and a great deal of work has been done along that line.

The branch was also asked to undertake studies concerning small business, particularly for the guidance of the government in developing new policies in this field and as background material for dealing more effectively with the problems of small business. This activity has consumed a large portion of the time of the branch, and it has produced some very valuable studies. The branch was also asked in the course of its work to consult and co-operate with educational institutions, representative business associations and other private organizations, and that has also been done.

The branch is currently planning the development of a business education program which could take the form of management and marketing aid bulletins and business management meetings or seminars. In addition they are actively engaged in a research program to study the composition and structure of small business in the Canadian economy.

Over and above that, very serious consideration has been given by the government to problems affecting small business, and that consideration is continuing. Up to the present we have fulfilled some of the needs of small business, but we recognize the fact that the problem has complications and other factors must be examined. We are proceeding with that examination.

The hon. member raised a question about oil imports and exports. If he would remind me of that when we reach item No. 401 in the estimates, when the officials of the energy board are present, the answer will be produced.

On the subject of wool let me say this. The figures for wool products imported are as follows: $64 million in 1958 and $67 million in 1959. The figures for actual raw wool imported are as follows: $22.6 million in 1958 and $25.7 million in 1959.

The hon. member went on to discuss the possibility of greater wool production in Canada and things of that nature, which are important and of interest to the Department of Trade and Commerce but which can be more adequately dealt with by the Department of Agriculture. However, we will endeavour to get some additional information for the hon. gentleman and send it to him later on. As soon as the officials have a chance to examine his remarks in *Hansard* they will correspond with him on this particular subject.

Mr. McIlraith: Mr. Chairman, I have a question relating to the minister's responsibilities in the field of research. If it is agreeable to him I would prefer to raise it under the national research council item rather than now, although it does not relate directly to the council.

Mr. Churchill: All right.

Mr. McIlraith: The other matter I want to raise has to do with the details of the estimates as shown on page 487 and again on page 499, in the details of the items relating to general administration and to the board of grain commissioners. I notice reference in these details to anticipated savings due to staff turnover. This first item has increased from $120,000 last year to $200,000 this year. The corresponding item as shown in the details under the board of grain commissioners is from $50,000 to $90,000. Does that reflect a situation in the department where there are a great many persons leaving? Does it indicate a new figure based on the experience of last year? What is the reason for the substantial change in that item?

I may have given the minister the wrong page. On page 487, where the increase in

that item is from $120,000 last year to $200,000, and again at page 499 where the increase is from $50,000 to $90,000.

Mr. Churchill: The staff, of course, is large and the staff turnover is sometimes considerable. I judge that in 1959-60 there was an underestimate as to the amount of money that might be saved. There have also been certain increases in salaries. At any rate, it is only a small proportion of the total amount voted for the department generally and also for the board of grain commissioners. I do not think it is out of line with the total amount of money indicated for salaries.

Mr. McIlraith: It indicates a 50 per cent anticipated increase in staff turnover in the Department of Trade and Commerce itself, which is a rather substantial increase. Does that means there is some staff demoralization?

Mr. Churchill: Not at all; in fact morale is very high. It is only in the amount of money that there is the increase that is indicated. That is based on estimates which are in turn based on the salaries of the employees.

Mr. McIlraith: Knowing the thoroughness of the examination of these estimates by the treasury board officials when they are being prepared, there must be something to justify this and it could only be a larger turnover in personnel than anticipated, or perhaps a very thrifty Minister of Finance trying to make his estimates look as small as possible. I do not know. The estimate is there.

Mr. Churchill: I can vouch for the very careful scrutiny of the estimates by the treasury board, and the Minister of Finance is a very careful housekeeper with regard to the finances of the country. I do not know that this was done in order to make things appear better. I would judge that it is an accurate assessment of the situation.

Mr. Campeau: Mr. Chairman, I should like to make some brief comments on a suggestion I have already made earlier in the present session. Government policies in Canada have been designed historically to support an underdeveloped country's economy, and especially its resources industries. Such past commercial policies that favoured resources industries and left the Canadian market open to all foreign competitors are responsible to a great extent for today's high level of unemployment. In fact, all plans for Canada's expanding prosperity have assumed that growth in manufacturing would provide jobs, income and higher living standards. This has not happened and is not happening.

Both as a provider of jobs and as a producer of goods Canadian manufacturing has been losing its earlier place in the Canadian economy. The 1955-57 boom in capital spending increased Canada's reliance on the construction industry as a provider of jobs, the very industry in which seasonal unemployment is the highest. Canada's cold climate, closing many outdoor industrial operations, always causes winter unemployment. There is always unemployment at any season when the business cycle turns downward. The business cycle has been turning upward since the autumn of 1958, but unemployment remains in some stubborn pockets. Hence a third category of built-in stationary unemployment has become apparent which does not readily yield to improving economic conditions or to the annual summer business spurt.

Technological factors, automation and the nation's monetary policies have been cited as reasons for these conditions. However, this chronic unemployment can become critical when the post-war baby boom makes its presence felt in the job market of the 1960's. Canada's population is now 17¾ million and will bounce up 27 per cent to 22½ million by 1970, a 43 per cent increase in the job-seeking teen-age population alone. Unless the pace of industrialization quickens there will not be enough jobs to go around.

If manufacturing does not thrive, who will provide new jobs? This country has to develop enough industrial sinew to create an economy in which there is some healthy balance between manufacturing and resource development. We need domestic industries to supply the wants of the growing population and to provide employment for a large percentage of the labour force. We need to develop domestic industry in such a way as to reduce our propensity to import. Let me tell you, Mr. Chairman, that a new 100-man industry in any community will result in almost $1 million worth of new retail business in the community, in about 130 new homes, 65 new children, 185 more cars, 390 telephones and three new retail stores. Let me cite an editorial which appeared in the Montreal *Gazette* on August 8, 1960:

> This is a good time to keep in mind the railway survey made of six Ontario and three Quebec cities, to determine the full impact of industrial development. This study, covering the years 1941 and 1951, showed that the addition of 100 new manufacturing workers meant to their community 427 more people; 131 more households; 66 more school children; 117 more workers employed other than in manufacturing; 187 more motor vehicle registrations; 393 more telephones; three more retail establishments, and nearly $1 million worth of increased retail sales per year.
>
> When manufacturing can produce results like these for even 100 workers, it is obvious how important it is that everything possible should be done to encourage its growth in this country. Everybody benefits.

It is especially the small industries, which are playing a very essential role in our economy, which have difficulties at the present time. They receive very limited financial help from the chartered banks and even from the industrial development bank. They need help, and their problems should be considered at the national level, on the same basis as those of the house builders, the western farmers, the maritime fishermen and others. Small industries have to be protected and multiplied even if only to ensure the stability of the country.

If you will permit me, Mr. Chairman, I should like to quote from a 1958 publication of the United States department of commerce:

> During the past 10 years, two new types of credit organizations have evolved (in the United States) to help finance economic development—the development credit corporation and the development authority. Purpose of both is to provide long term risk capital to promising new and expanding industries that find themselves unable to meet the loan requirement of commercial banks and other financial institutions. Although both organizations derive from special legislation, the basic difference between them is that the credit corporation is a private organization depending entirely upon private sources to develop a loan fund. The authority, on the other hand, is an arm of the government with its loan fund originating, at least in part, from public sources.

This is what the article has to say about the credit corporation:

> Legislation is required in forming a credit corporation to permit banks to accept institutional membership in the corporation. Such membership enables a bank to make available a small but specified percentage of its capital or surplus, or similar fund, to the corporation's credit pool. Thus, existing sources of capital can be tapped and the risk of a bad loan evenly distributed among institutional members and others.
>
> In addition to institutional membership for financial organizations like banks, insurance, security and investment houses, stock is sold to private persons and other organizations. Management of the corporation affairs is handled through a board of directors, selected from stockholders, and by an executive committee usually elected by the institutional members.

On the other hand, the development authorities are getting their funds directly from public sources. What is urgently needed now in Canada is the creation of an organism to provoke industrial development, in the same way Central Mortgage and Housing Corporation was created when the country was in dire need of housing. The first goal of this organism would be to make or guarantee loans for creating new industries or for maintaining and expanding existing ones. Its action would go far beyond the limited field of the present industrial development bank. Its operations would be based on a national program of development, taking into consideration the industrial capacity of the country and its consumption requirements. Each individual loan would be considered in the light of this broad general program, according to a procedure similar to the one followed at the present time by Central Mortgage and Housing Corporation in the field of housing.

This proposed organism would encourage research and would thus bring extraordinary help to technical education. It would help us to keep within the country our outstanding scientists now deserting us for the United States. It would help to establish a sound immigration policy, the new immigrants to be absorbed by new industries. Finally, it would help in balancing efficiently our trade with foreign countries, by developing local industries capable of satisfying local needs and by diversifying our exported manufactured goods. By encouraging technical research, the new organism would encourage the creation of new products to be manufactured for local consumption and for export. Such a program would also permit Canada to compete efficiently against European trade blocs, especially the communist one, and also against the impact of the growing industrialization of underdeveloped countries.

Not only would the creation of this new organism be an efficient measure against increasing cyclical unemployment, but it would also become the basis of a well balanced national development program for the continued orderly growth of the whole country.

Mr. Carter: I want to ask the minister one or two questions about the small business section. Is the vote for the small business section included under general administration, or is it under the special vote for economic and technical assistance?

Mr. Churchill: General administration.

Mr. Carter: Can the minister say how many people are employed and what the total vote is for the staff for this year?

Mr. Churchill: There is an establishment of 13 provided for, with seven people at present employed.

Mr. Carter: Under the reorganization outlined by the minister the other night when he presented his estimates, is it the plan to have a special division for small business?

Mr. Churchill: It is a special branch now, and it will come under the division which we are calling domestic commerce.

Mr. McIlraith: The details of the first item show a reduction in trade promotion at home and abroad from $60,000 to $35,000, cutting the item almost in half. With respect to trade commissioner posts abroad there is a

reduction shown in the posts at Bonn, Brussels, Hong Kong, Kingston, Jamaica, London, Paris and Tokyo, among the most important posts we have. There is also a reduction in the item for participation in exhibitions and displays. The reduction is centred on the items having to do with trade promotion, whether with regard to trade commissioner posts or the item having to do with exhibitions abroad. What is the reason for the cutting down of the effort to sell outside of Canada?

Mr. Churchill: There has been no reduction in the number of staff employed at the posts mentioned by the hon. member. The other night I drew the attention of the house to the fact that we are increasing our posts abroad this year. Under trade promotion at home and abroad we are asking for an increase of $150,000 in the supplementary estimates that will be before the house later, so there has been no reduction in our activity with respect to this very important part of the department's work.

Item agreed to.

The Chairman: Shall vote 553 carry?

Mr. McIlraith: Mr. Chairman, would it not be more convenient if we went through the regular estimates first?

The Chairman: It has been ordered that it be done in this way, and I would point out that item 553 supplements item 390.

393. Exhibitions branch, $743,766.

Mr. McIlraith: According to the details of this item there seems to be a reduction in the actual amount being spent abroad on these exhibitions. There is no reduction in the amount being spent in Ottawa. Is there any significant change in the situation concerning Canada's participation in exhibitions?

Mr. Churchill: There has been no significant change. We are participating in 16 exhibitions this year, and last year the number was 14. There is a slight difference in the estimate of the cost, but that has been related to the actual expenditure in the preceding year.

Item agreed to.

395. Dominion bureau of statistics including the fee for membership in the inter-American statistical institute and a contribution of $500 to the international statistical institute, $10,789,333.

Mr. Winch: Mr. Chairman, I have been requested by certain organizations in British Columbia to have the minister comment with respect to a matter coming under this item. Until just over a year ago it was possible to take out a blanket subscription for all the publications of the dominion bureau of statistics, and the fee was $60 a year. However, just over a year ago a change in policy was made whereby a blanket subscription for all publications could no longer be obtained and people had to order publications individually, from a list. According to my information, if an organization still wanted all the publications it meant an increase in the fee from $60 to $420. I can understand the bureau wanting to obtain a return on the sale of their publications more commensurate with the cost, but an increase of approximately 600 per cent to 700 per cent in one fell swoop seems rather extraordinary.

I also happen to know that certain research bureaux in British Columbia proceeded, because of the change in policy, to subscribe for the publications they specifically wanted. I have in mind one bureau that subscribed for 43 publications in March of last year. In March of this year the bureau of statistics sent a subscription renewal notice at exactly the same fee as before, although during the year the organization did not receive all the publications for which it had subscribed. The organization paid the renewal fee although it had not received certain publications because they had not yet been published.

When they complained to the bureau of statistics they got what I consider a most peculiar answer. They were told that this happened on occasion because the publication was issued once every 14 months rather than once every 12 months, or perhaps was not issued even that frequently. The part I thought peculiar was that the bureau of statistics informed the research bureau in British Columbia that if they continued to pay their subscription fee for a period of five years it would work out that over that period of time they would receive all the publications for which they had subscribed. To me this appears to be a peculiar way to administer a business. It sounds more like a horse race or a lottery than a business administration, to be told that if you subscribe for five years you will receive all the publications at some time during that period.

I am not going into more detail, but I should like to have the minister's comment on the reason for the 600 per cent to 700 per cent increase in the fee if a person wants all publications, and also the reason organizations should be told that if they did not receive a publication this year they will eventually receive it if they subscribe for five years. To me that does not seem quite right.

Mr. Churchill: The cost of dominion bureau of statistics publications is important. I recall

the discussions we had concerning this matter. We were receiving complaints that people who had taken out blanket subscriptions were getting a great deal of material which they did not want as it did not necessarily cover fields in which they were interested. Complaints were made that there was tremendous waste. Material was coming in at intervals and going immediately from the desk to the wastepaper basket. So it seemed sensible to put the thing on a more business-like basis, and that was why we changed from the blanket subscription to the individual subscription. From the information that has reached me, I would say it has been working very well. The people buy the publications they require, and they are not expensively priced.

This is of importance also to the Queen's printer, who drew our attention to the complaints with regard to waste. I have not been receiving these complaints since this new policy was put into effect. I doubt if there is any organization that wants all the publications or that could make effective use of all the publications of the dominion bureau of statistics, which are concerned with the more specialized fields in which people are working. I do not know of any organization that has registered any complaint with us on this basis, because they have recognized that this is a much more sensible way of doing business and avoids the waste that occurs when publications are sent out that are not desired and which only end up in the wastepaper basket.

Now, with regard to the particular point raised by the hon. member that a research bureau in his province subscribed for 43 publications, obviously I cannot produce an answer to that here. However, I will take that up with the dominion bureau of statistics and we will investigate it. We will communicate with the hon. member and try to straighten it out. If any of these matters are drawn to our attention we will certainly take a look at them. If some serious inconvenience has been caused a certain research organization in Canada by the change from the blanket subscription method, we would like to have a look at it to see what can be done. It is a matter of adjustment from year to year. At the moment it appears to me that it is a very sensible change and has reduced excessive printing, and the needs of the public have been met because the publications are available at very reasonable cost. The universities and educational institutions, if they were on the list, were not changed and were not affected in any way whatever.

Mr. Winch: I believe that basically the minister is correct when he refers to the change from the blanket method of subscription because I was a member of a committee a couple of years ago which studied this matter. However, I believe the minister will agree that if you do subscribe, as in this case, to 43 publications and you do not get them but are billed for them the next year, you pay for the whole works and you do not get them all, which is a matter which should be considered.

These people complained and received a letter from the acting supervisor of the publications unit from which I should like to read a couple of sentences. The letter says the interval may vary from 10 to 14 months, but the person who renews his subscription on a regular basis is assured of receiving five consecutive annual issues over a five-year period. It goes on to say that the annuals mentioned will average out over several years, and that you will receive them all on a five-year basis. This means that one hopes to receive, on a five-year basis, all the publications for which one has paid, yet one is billed each year for those not received in the previous year. This strikes me as being a peculiar method of business administration.

Mr. Churchill: It strikes me as being a bit unusual, too, but we will have a look at it.

Mr. Pearson: This item for the dominion bureau of statistics is the one under which I assume we would discuss the work of the interdepartmental committee which has been asked to recommend a new official standard of measurement for unemployment. When we attempted to discuss this matter on the estimates of the Minister of Labour, Mr. Chairman, you will recall that he pointed out that it would be more appropriate to do so under the estimates of the Minister of Trade and Commerce. I presume this is because the bureau of statistics is the agency of government which is most primarily concerned. At that time we on this side expressed the hope that when we came to this item, not only would we have a discussion of that matter but that the Minister of Labour might find it possible to be here to participate in that discussion.

This committee has been in existence for many months. It was set up, at least in part, as the result of a suggestion from this side of the house that the time had come when we should try to eliminate the confusion surrounding these statistics which are used to measure unemployment in this country. At the moment we have two separate sets of figures which have been used for some years, the bureau sample figures and the figures for registrations at the national employment

service offices. These figures never correspond. It has been suggested that the bureau figures are too low, and it has certainly been suggested that the national employment service figures are too high. In any event I think it is desirable, if it can be done, to resolve this problem by having one agreed standard of measurement which would be used in our discussions of this subject, thus avoiding some of the confusion that we have had in the past. Indeed, last Saturday the Prime Minister used as his figure for unemployment in a certain month in 1957 the national employment service registration figure which has been condemned by hon. members opposite on other occasions as being an exaggerated figure for unemployment in the country.

When the Minister of Labour announced the setting up of this interdepartmental committee on March 3 he said, and I quote from page 1702 of *Hansard* for that date:

> Whenever a report is forthcoming on this matter it will be made available to the house.

We on this side have been attempting to get that report before the house for some weeks so we would have it for consideration at this time when the estimates of trade and commerce are being examined. The minister has said for several weeks that the report was not ready, had not been completed, and that he was not solely responsible for it. It was an interdepartmental committee, and he was not able to do anything to hurry it up. He did say the other day however that the report had been completed and was before the cabinet for consideration. Last Saturday, as a matter of fact, the minister reported to the house that the government had received this report and he added, as reported on page 7679 of *Hansard*, that it would not be tabled until the government had reached a decision as to the recommendations contained therein.

This is a very different statement from the one he made on March 3, when he said that whenever the report was forthcoming it would be made available to the house. Now we are told that it will not be made available to the house until the government reaches a decision in regard to it. It seems to me these two statements are not consistent.

I repeat what I have just said. We still think it is important that we should agree, if we can, in this house on the most appropriate standard of measurement for unemployment. If agreement can be reached, we should use that figure so that at least this complex technical question will not become a partisan issue. So far as we are concerned, we are prepared to take a responsible attitude toward this matter, providing we are not subjected to a *fait accompli* by the government and provided we are not told that the decision has been made, that a certain measure for unemployment is being accepted while there has been no opportunity of considering the matter in any way in the House of Commons prior to that decision being taken. We think, therefore, there should be no unilateral action taken in this matter, even if this may mean a slight delay, until there has been an opportunity to discuss it and get agreement if possible in the house.

For that purpose, Mr. Chairman, I have two suggestions to make. The first is that the report of the joint committee which is now before the government should be made available to the house immediately, as the Minister of Labour indicated on March 3 would be done, so that we can see it today and study it.

My second request is that no action be taken with regard to any recommendations in this report before the next session, because it is quite obvious that there will be no time now for the kind of examination which it deserves and which its importance warrants. We suggest that at the very beginning of the next session this report should be referred to the standing committee on industrial relations so that its authors and other experts could be examined by members of that committee and the report made clear by those who drafted it to members who are concerned that there should be from such a report, a single measurement of unemployment which would be acceptable to all members of the house.

It seems to me that only if that procedure is followed can we be sure that the new measurement, if there is to be a new measurement, will meet the approval of the house itself; and if it does not meet the approval of the house generally then there is not much likelihood that we are going to avoid in the future a difference of opinion over measurements such as we have had in the past.

It is for that reason, Mr. Chairman, that I bring this matter up, and it is for that reason that I have made these two suggestions.

Mr. Churchill: Perhaps I might speak to that immediately. I am in agreement with the Leader of the Opposition concerning the value which would accrue to all of us if we based our discussions on one set of figures instead of two and sometimes more. The Minister of Labour has had the responsibility in connection with the report, although I have had consultations with him concerning it and it was an interdepartmental committee which was set up to consider it, in which committee our department played quite a part.

I will draw to the minister's attention immediately the suggestions made by the Leader of the Opposition. In fact I will send him a note outlining the suggestion that the report be tabled immediately, that no action be taken concerning its recommendations before the next session, and that when the next session meets the report be referred to the committee on industrial relations. These suggestions might very well be looked at today, and I will send this message to the Minister of Labour immediately so he can consider them.

I have nothing to add to what the Minister of Labour has said and the answers he has given to questions raised in the house about the report. It has been received, and it is a question as to when it will be tabled or distributed to members.

Mr. Martin (Essex East): Mr. Chairman, we are grateful, I am sure, to the Leader of the Opposition for bringing up this matter. It is a matter which I have brought forward on orders of the day not less than seven times during the course of the present session. This could easily be one of the most important matters that we will be discussing at this tail end of the session.

Unemployment is undoubtedly the most important domestic problem in Canada. It has persisted now since 1957 in serious proportions. Unemployment at the present time on the basis of the latest available figures issued by the minister's department, through the bureau of statistics, reveals that we have unemployment at a higher level at this time than at any period since 1935.

When this question was vigorously pursued during the course of the session the Minister of Labour, I believe largely to remove himself from any embarrassment, sought to indicate that the government was going to ask for a consideration of a new standard of measurement of unemployment in Canada.

It is important to keep in mind what are the present standards of measurement. They are the standards employed by the dominion bureau of statistics, based on a sampling of some 30,000 or so individuals in our country. There is also the figure provided by the national employment service, which I believe to be a more accurate figure because it is actually founded on the end of the day reports in our unemployment offices in Canada. The dominion bureau of statistics figure is nothing more than what it purports to be, a sampling of unemployment in our country. A sampling cannot take into account heavy concentrations of unemployment. Then, there is what I believe to be the irresistible figure, made up of the number of people actually in receipt of unemployment insurance benefits.

Because there are these three sets of figures the government has suggested that it is confused and that the public mind is confused as well. I believe there is no confusion. Each of these three sets of figures indicates nothing more than what each purports to establish. However, the fact is that the government, having established this mirage of confusion, did decide to set up an interdepartmental committee. That was over four and a half months ago. The Minister of Trade and Commerce says he is not charged with this matter, that this is a matter which comes under the responsibility primarily of the Minister of Labour. The Minister of Labour contended, when we were discussing his estimates, and he was pressed strongly, that this was a matter which came within the authority of the Minister of Trade and Commerce.

I do not know which minister is primarily responsible, but the bureau of statistics is a division in my hon. friend's department. I believe that if he could definitely assure the committee, as he has so co-operatively indicated today, that this matter would be open for discussion in parliament when we next meet before this question is finalized, there would be no difficulty today. But I believe we have to have that definite assurance.

The situation is not as easy as the minister's co-operative attitude this morning suggested. The industrial relations committee met this winter. It had one meeting. That was an organization meeting, for the purpose of electing a distinguished member of this house as its chairman. There is before that committee a motion in the name of the hon. member for Kenora-Rainy River, to the effect that the committee should give study to the various standards of measurement of unemployment in Canada.

The chairman of that committee asked the hon. member for Kenora-Rainy River, if he would not proceed with the motion at that particular time, so it could be considered at a subsequent meeting which, we were told, would be called shortly. That meeting has never been called. We have asked in this house that a meeting of the industrial relations committee take place so that motion could be disposed of. We have not been able to receive from the government or from the chairman of the committee any co-operation whatsoever, with the result that for five and a half months this motion of the hon. member for Kenora-Rainy River has stood in suspense.

Now, the Minister of Labour told me a week ago—ten days ago or thereabouts, to be precise—that he did not know whether

the interdepartmental committee had made its study. When pressed that he should himself initiate an inquiry as to whether the study had been completed, he very reluctantly agreed. Then three or four days ago he announced that the study had been completed and that a report was in the hands of the government. When asked by the Leader of the Opposition, when that report would be made available for consideration in this house, he said that the cabinet had not yet had an opportunity to consider it.

I want, first of all, to submit that I doubt very much if this is a matter for the cabinet at all. This is a matter of procedure to be determined by the bureau of statistics in co-operation with other departments, and it seems to me somewhat unusual, that the government of Canada should want to interfere in a technical matter of this kind. It is a technical matter, because the assessment made by the bureau of statistics must be in accordance with standards about which the government as such cannot be expected to have any expert knowledge. In any event, we have not yet on this, possibly the second last day of this session, or even the last—

Mr. Churchill: I prefer that.

Mr. Martin (Essex East): —we have not had from the Minister of Labour, who has been wholly uncommunicative with regard to all these questions that concern unemployment, any information whatever as to whether or not the government considering this report or whether parliament will have an opportunity of examining the recommendations.

I feel that this is an extremely important matter. We can only determine the degree of unemployment in our country in accordance with the standards of measurement that are used. We are shortly to prorogue. We shall in all probability not come back here until next January, 1961. Every indication seems to suggest that unemployment will be as severe this fall and next winter as it has been in the previous periods. We do not want, in the interval between prorogation and the opening of a new session of parliament, unemployment to assume serious proportions while we, as members of parliament, are placed in a position where, because of the adoption of new standards, we are not able to determine that fact.

If the minister will give us an assurance today—and it must be today, I believe—before we can pass this item that parliament will not be denied the opportunity of examining this particular report before any change is made, then the minister will, I am sure, have the knowledge that the passage of his estimates is going to proceed without any trouble. The hon. gentleman has been co-operative today—much more co-operative than the Minister of Labour—and if he can give us this assurance that there is not going to be any change made in this standard of measurement without parliament being given the opportunity to know whether any proposed change is a sound one or a desirable one—

Mr. Spencer: The hon. member has just said it was not necessary for the government to consider this report.

Mr. Martin (Essex East): I said exactly that, but if the government is going to concern itself with it, it must also be a matter for parliament. I feel keenly about this, speaking as I do for an industrial part of Canada, where there is heavy unemployment.

Before resuming my seat I want to say that we have contended all along, as did the hon. gentleman, that the national employment service figure is the most reliable of all, and we had confirmation of that view in the well-balanced, controlled speech made by the Prime Minister last Saturday afternoon, when he himself referred to unemployment in 1955, using the national employment service figure, thereby confirming the contention which the Leader of the Opposition and other members of this parliament have been makng during the course of this session.

Mr. Churchill: The hon. member for Essex East is very persuasive when he is in the relaxed mood that prevails this morning.

Mr. Martin (Essex East): I never was so unrelaxed.

Mr. Churchill: I think his suggestion—and he is following the suggestion of the Leader of the Opposition—is worthy of careful consideration. I appreciate his concern over this problem, which is one that concern us all. I realize that the report will be studied with the greatest of care and interest by everyone who has taken some interest in the problem of unemployment in this country. My only regret is that the hon. member for Essex East should have suggested that perhaps the item now before us will not be passed unless an assurance is given that no action will be taken on the report until parliament has had a chance to examine it. That is a severe, stringent requirement which the hon. member for Essex East is placing on my shoulders. If he would give me a little time to examine the matter—

Mr. Martin (Essex East): Agreed.

Mr. Churchill: —perhaps we might reach an understanding, but I hope he will not simply say that the estimates will be held

up until such and such a thing happens, because I know he is anxious to conclude, in orderly fashion, the business of this session. But over one item, such as this matter that might be disputed, we would not want to prolong the session into the next two or three weeks.

Mr. Pearson: The minister has suggested that a little time might be given him to consider this matter. Our request is surely a reasonable one. The minister must have known it would be brought up; we made it clear to the Minister of Labour that we were going to bring it up on these estimates, because this would be the only occassion when we could discuss it. As my hon. friend has said, we would like an assurance that action will not be taken on this matter without parliament having a chance to consider it. Otherwise we may find ourselves in the next session confronted with an entirely new measurement at a time when the standard of measurement will be very important, without ever having been given an opportunity to discuss that new standard so it could be an agreed one. That is what we are asking the minister, and I think it is a reasonable request.

The hon. gentleman is asking for a little time to consider, and I think that is a reasonable reaction. Perhaps we could allow this item to stand, and while consideration is being given to this question we can go on with the rest of the estimates. I am sure the hon. member for Essex East was not attempting to threaten in any way, shape or form.

Some hon. Members: Oh, oh.

Mr. Pearson: He was simply suggesting that if the discussion which would undoubtedly take place on this item could be avoided, the estimates would be completed much earlier than would otherwise be the case.

The Chairman: Shall this item be allowed to stand?

Some hon. Members: Agreed.

Item stands.

Board of grain commissioners (Canada Grain Act)—
396. Administration, $159,075.

Mr. McIlraith: On Saturday last in the course of his remarks the minister gave some figures indicating Canada's percentage of the total commercial export wheat markets of the world. I must say that at the time he gave those figures I had not seen them before, and I was not very satisfied with them. I tried to get from the minister other facts concerning the percentage share of Canada in the total world market for wheat, but the minister did not have those figures with him at that time. I wonder if he has them now.

[Mr. Churchill.]

Mr. Churchill: We will certainly get that information in a minute or two, Mr. Chairman.

Mr. Pearson: I do not know if I can help the minister, but my friend the hon. member for Ottawa West did not have with him when he asked this question the daily bulletin of the bureau issued on July 22, which gives figures for supply and export of wheat for the first ten months of the year.

Mr. Churchill: Let us just be clear. Does the hon. member want an answer with respect to the percentage of world trade in wheat?

Mr. McIlraith: Yes. What concerns me is that the minister used a figure on Saturday—

Mr. Churchill: What page?

Mr. McIlraith: Page 7713. This deals with commercial sales. I wanted to know our percentage of the total exports.

Mr. Churchill: Oh, yes.

Mr. McIlraith: My understanding is that there is quite a substantial difference in the two. I was quite concerned with what is happening now. It seems to me we are in some jeopardy of losing our relative position in the export market.

Mr. Churchill: The figures I was using were total figures, our total exports of wheat, which would include our commercial sales plus the program of gifts. The figures I was giving were extracted from an official publication, a table printed in August, 1959 respecting the wheat situation, published by the United States department of agriculture. I gave the figure then for the average in the inter-war years and for 1958 and for 1959.

Mr. McIlraith: In the Canadian wheat board report there is a table given at page 15. It deals with the crop years and covers the period from the 1945-46 crop year up to 1958-59. My concern is that the figures for 1958-59 show Canada as having 23.9 per cent of the total world export trade in wheat. The minister used a figure for the year 1958 of some 35.7 per cent. I took it to be the minister's argument that we had increased our share of the world market. My understanding of the situation is that we are in some difficulties and have a relatively smaller part of the world market than we had in earlier years, certainly not a better one. That is the point I want cleared up.

Mr. Churchill: The hon. member for Ottawa West is correct in what he is saying. Here we are getting into two statistical tables which we had better straighten out right

away. I was giving the figures for the commercial situation. I gave the figure of 35.7 per cent in 1958 as Canada's share of world trade in commercial markets. When you take Canada's share in the total world trade of wheat including the concessional items, the gift programs of our country, the United States and others, Canada's share is 24.2 per cent. That is a decline of 6 per cent from the years 1920 to 1939. The United States percentage increased quite substantially from the period 1920-39 to 1958 due to a great increase under PL480 gifts of wheat to underdeveloped countries.

The hon. member said something about some danger here. It is not a loss of Canada's markets that has been suffered at all. In fact, as I pointed out, we have in the last three years maintained our position as the leading commercial wheat salesmen in the world. We have maintained our position with regard to our share of the wheat that is sold for actual cash. The activities of the United States under PL480 has not seriously affected Canada's sales abroad, as I have shown. Through co-operation with the United States authorities we are taking the necessary steps to see that as markets develop for wheat in other countries, in Asia and Africa, we will have an opportunity to participate in those markets when they become commercial markets.

That is one of the reasons we are sitting in with the United States in discussions of wheat disposal programs. That is one reason Canada is participating in these programs, and that is one reason we are actively engaged in making certain that if new markets develop in Asia or Africa, Canadian wheat or flour will be considered. At the moment I do not see any particular danger to Canada in the fact that her share of the total exports of wheat is somewhat less than it was 20 years ago, because she has maintained her position in the commercial markets of the world.

Mr. McIlraith: I thank the minister for clarifying the matter of the statistics he was using. That clarification is wholly satisfactory as far as I am concerned and explains what the difficulty was. The conclusions the minister draws from the statistics are somewhat different from mine, but the statistical fact is that our percentage of he market on any basis is down from the period between the wars, and our percentage of the total export of wheat, taking more recent periods, is down too.

I realize the difficulty of picking out particular statistics, but it is interesting to take the three crop years 1951-52, 1952-53 and 1953-54. Our share varied from 32 per cent to 39 per cent of the total wheat exports of the world in those years and are now down to 23.9 per cent in 1958-59. I am prepared to admit that that was unusually high in the years 1951-54. Then we came into an era of programs sometimes called give-away programs, under which wheat is given by some countries to others on a basis of other than commercial sales, and our percentage share of the total exports dropped sharply. It seems to me that indicates a matter for real concern today, and this is a situation that has to be watched closely.

The fact is that viewed by any criteria we are down in our wheat exports. Our reduction in percentage of total world trade coincides in timing with the expansion in the type of program under which gifts are made to other countries. The problem is also complicated by the uncertainty of the access of our agricultural products to the United Kingdom and European markets because of the relationship of the United Kingdom with the trade areas of Europe. As far as I am concerned it is the cause of some alarm.

I am one of those who recognize that the marketing of our wheat is of the utmost importance. I think I may be permitted to make this comment. In the wide-ranging debate that took place yesterday it seemed to me there tended to be not sufficient recognition of the problems of the marketing of wheat and the huge carryovers in this country. It is of the utmost concern to the whole economy of the country. It is not just a problem of the western wheat farmers; its impact falls on them primarily but it is a problem of the whole economy of the country, and for that reason I make no apology for raising this question for the consideration of the committee or for drawing it to the attention of the minister.

There are other aspects that could be developed, of course. There is the whole matter of the development of exports to Japan. I hope great foresight will be used in developing and exploiting that market to our best advantage. I recognize that it will require some steadiness and some resourcefulness, and also some resistance to pressures which may arise in connection with our trade with that country, but I hope it is something that the minister will bear very much in mind.

Mr. Churchill: May I say one final word with regard to wheat. I appreciate the hon. member's remarks, and he is quite right in saying that this is not the sole concern of the western farmers. It is primarily their livelihood, but it is of concern to all Canada

because of the surpluses we have been carrying and the importance of wheat in our general export trade. We should not minimize the importance of that whatsoever, but our surplus situation has been materially improved in the last three years. In July, 1957 it was estimated that in this country we had a surplus of 730 million bushels, and this was before the new crop of 1957 was harvested. That surplus situation has been reduced in the course of the last three years by certainly over 200 million bushels. I think now the surplus stands at something over 500 million bushels.

Mr. Pearson: It is 566 million bushels.

Mr. Churchill: That is quite a sharp reduction from the surplus of 730 million bushels three years ago. I am not sure whether the hon. member for Ottawa West mentioned anything about the decline in our wheat exports. Percentagewise, with regard to world trade, he may be able to show that but in actual fact, over the last three years—

Mr. McIlraith: Percentagewise.

Mr. Churchill: —there has been an increase in our export position. I gave the figures at page 7713 of *Hansard*, showing that in the 1957-58 crop year we exported 320.3 million bushels; in 1958-59 we exported 249.1 million bushels, and estimates for the crop year that has just closed are 276.7 million bushels, making an average of roughly 297 million bushels for each of those three years, which is above the average for the preceding three years when it was 276 million bushels. The preceding 10-year average was 284.4 million bushels and the 30-year average was 252.6 million bushels. Therefore we are really doing better in our export business now than we were before.

Mr. Pearson: Mr. Chairman, perhaps I can say just a word about this because of the importance of the matter. I understand that in the first 10 months of this year the world trade in wheat was up about 6 per cent and our percentage was down about 3 per cent. The minister has explained the reason for that. It was due largely, though not entirely, to non-commercial sales by the United States; but of course we have also increased our sales by special arrangements, although not quite to the same extent as has the United States. If we are going to make comparisons of cash sales we have to take Canadian cash sales against United States cash sales.

The minister has pointed out that there has been close co-operation and liaison maintained with the United States in respect of those non-commercial sales in order to ensure that when they become commercial sales, if they ever do, we shall have an opportunity to participate in the increased commercial marketing which will result. Of course that is very important if it can be brought about. It can only be brought about by our own effort and by the co-operation the minister has spoken about with the United States, and I do not suppose this situation is likely to change very much in the next year or two; certainly not to our advantage, because while our own surplus has gone down, as the minister has pointed out, from about 734 million bushels to 566 million bushels, I think I am correct in saying that the United States surplus has gone up. Therefore there will be the same, if not greater, pressure on them to force that surplus in some way or other on to the world's markets. We are going to be up against this problem for some time.

Then we also have another factor, namely the competition we are encountering from the Soviet union, not very serious at the present time except perhaps in the Netherlands, where I understand there has been some Soviet grain marketing to our disadvantage. In any event, it is not only an important matter; it is a matter which causes anyone concerned with it some anxiety.

I will just put on the record the figures for July 22, as published by the dominion bureau of statistics, which show exactly what the situation is in terms of the number of bushels shipped during the August-May period of this year, which is the period I am talking about. I am quoting from the bulletin which says:

> Total exports of wheat and wheat flour in terms of wheat from these four countries—
>
> The four main exporters.
>
> —in the first 10 months (August-May) of the current Canadian crop year totalled 821 million bushels, some 6 per cent above the 771.5 million bushels exported during the same months of 1958-59.

Then it goes on to say this, and this is the reason for our worries:

> Shipments from each of the four countries during the August-May period this year were as follows, with the preceding year's corresponding totals in brackets (in millions): United States, 425.4 bushels (380.6); Canada, 235.9 (243.8); Argentina, 62.8 (85.5); and Australia, 96.9 (61.6).

These figures show that the United States during this period has shipped, if my calculation is correct, 109 million bushels more wheat on the world market than we have. The minister has said—and I am not challenging his figures because I do not know; I accept them—that we are still maintaining our superiority in cash shipments over United States exports. If that is the case, that would mean that during those 10 months the United States has thrown on the world market in a non-commercial way 190 million bushels of wheat, which is a very dramatic measure of

the kind of competition and the magnitude of the competition that we are up against.

Mr. Churchill: That is quite correct. There has been a great movement of United States wheat into world markets but not into commercial markets. Seventy per cent of United States exports of wheat are going forward under their gift program to the countries that need it. The figures for 1958 indicate that Canada exported to commercial markets —I take this from the United States publication to which I was referring—270 million bushels compared with exports by the United States of 142 million bushels. That was in 1958, and it shows the difference in commercial sales between the two countries.

However, we are also participating in the export of wheat by way of an assistance program similar to that of the United States in some respects. Under the Colombo plan we have shipped a substantial amount of wheat out of this country over the last eight years. I have a table here which might be of interest to hon. members and perhaps could be incorporated in *Hansard*. It is not in any partisan spirit that I refer to the fact that shipments have been higher in the last few years than in the earlier years. Rather it is an indication that the whole program of gifts to underdeveloped countries has been expanding. If hon. members would like to have this table printed in *Hansard* it will give a picture of the gift program and the loan program that have been in effect now for a number of years. For the last three years the figures have been running this way. We have given by outright gift some 36,362,697 bushels of wheat or wheat in the form of wheat flour, valued at $60,649,968. On a loan basis we have shipped from Canada 21,560,795 bushels of wheat valued at $34,999,999.

Therefore in the last three years the wheat and flour export program under the Colombo plan by way of outright gift or by way of long term loan has amounted in total to approximately 58 million bushels valued at approximately $95½ million. We are sharing in the program to assist countries that require food, and we are doing it by outright gift and by long term loans.

Mr. Pearson: I think the minister's figures as to our share of non-commercial marketing in the world are quite interesting, and I am not complaining about the growth of these figures. It is quite true that in the last three years, as the minister has pointed out, our wheat marketings under the Colombo plan have become substantially greater than they were in previous years when we were operating under the Colombo plan. However, I am also quite sure that in those earlier years under the Colombo plan there was a great reluctance on the part of recipient countries to include consumer goods such as wheat, wheat flour and things like that within the programs of assistance which we were negotiating with them. As the minister knows, the Colombo plan is a plan for technical and capital assistance, and there was quite considerable reluctance to have that pattern of assistance altered in those earlier years. The fact that these increases have been made in recent years is an indication not only that we have a lot of wheat to dispose of but that the recipient countries have altered to some extent at least their attitude toward assistance under Colombo plan arrangements of that kind.

Mr. Churchill: That is quite true, and I am glad the Leader of the Opposition has added that point. Parliament approved an increase in Colombo plan aid from $35 million to $50 million, and of that increase the larger amount has gone into the provision of surplus food for countries that need it. The Leader of the Opposition is quite right that prior to that the Colombo plan funds were primarily intended for capital investment and improvement in those countries. Nevertheless, even under those circumstances and with the reluctance of the receiving countries to take food rather than capital assistance, there was a substantial program in the preceding five years from 1952 to 1957. Outright gifts amounting to 10,814,436 bushels were made in the five years I have mentioned, having a value of $29,142,059.

Mr. McIlraith: I think the minister indicated that he wanted to put the table on the record.

Mr. Churchill: It is all on now.

Item agreed to.

Special—

411. Economic and technical assistance branch, $455,161.

Mr. Pearson: I wonder whether the minister could give us some information as to this vote for economic and technical assistance. It is in the amount of $455,161, which is an increase of approximately $44,000 over last year. What kind of economic assistance is covered by this vote, and would this be the vote that would cover economic reports to the minister?

Mr. Churchill: No. As the Leader of the Opposition knows, the Colombo plan comes largely under the Department of External Affairs and the administrative responsibility is carried out by the Department of Trade and Commerce. This particular vote is for

the people who do the work in our department under the Colombo plan, and represents payment of salaries.

Mr. McIlraith: Who is the director at the moment?

Mr. Churchill: Dr. O. E. Ault is the director

Item agreed to.

NATIONAL ENERGY BOARD

401. Administration, $496,260.

Mr. McIlraith: On April 1 the minister announced the results of the hearings before the national energy board involving the applications of many companies to export natural gas to the United States. At that time he indicated the government's concurrence in the recommendations of the national energy board, and in the course of his remarks he pointed out not only the long term significance of the export of natural gas to the United States but also its significance in terms of the employment that the development of the facilities for export would provide, and other related matters of that sort. In the light of that announcement, can the minister tell us what has happened since that time with regard to these export permits? In how many cases has the United States power authority granted permission on their side for the import into that country of natural gas, and in how many cases are applications still before the board? What is the significance of this now in the light of the prognostication the minister made in terms of employment and activity in this country with respect to the provision of facilities?

Mr. Churchill: The federal power commission in the United States has granted permission for the import into that country of the amounts in the applications that were before us, with the exception of Trans-Canada Pipelines Limited authorization to export 204 million cubic feet of interruptible gas at Niagara and the last one we were considering, a smaller one; I think it was the St. Lawrence Company.

In so far as the effect on employment that was forecast is concerned, there has been a delay in the United States. We brought this before the house and the decisions were made at the end of March. Well, from that time until now the matter has been before the federal power commission. It is quite obvious therefore, that the program for 1960 will not be proceeded with as rapidly as we had expected had the federal power commission authority been granted immediately following the decision made here. However, in so far as the over-all planning and the amount of money that is going to be invested are concerned, the development and construction in Canada, that remains the same and the employment figure will be the same but it will be prolonged into 1961.

Mr. McIlraith: Will it mean that the employment that would be provided by many of these projects will be put over until the next building season, or is there still time to get building programs under way?

Mr. Churchill: Some may be done this year, but there may be a slight further delay because the California public utilities commission still has to pass on these applications. There is still time this season for a certain amount of work to be done.

Mr. McIlraith: The minister is referring to the state authority as opposed to the federal authority?

Mr. Churchill: Yes.

Mr. Nasserden: Would the minister be prepared now to answer the question I asked?

Mr. Churchill: I have here the imports, in barrels per day, of crude oil and oil products; I also have the exports expressed in the same way. I have them for the years 1955 to 1959 in both instances. Is that the information the hon. member was requesting?

Mr. Nasserden: Yes.

Mr. Churchill: Perhaps this table could be printed in *Hansard,* if the committee were agreeable, rather than have me read all these figures, although I could do that if I were requested to do so.

The Deputy Chairman: Is it the pleasure of the committee that this table be printed in *Hansard* at this point?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

	Imports—barrels per day		
	Crude oil	Products	Total
1955	237,400	104,000	341,400
1956	290,900	99,400	390,300
1957	306,600	94,500	401,100
1958	285,000	80,300	365,300
1959	315,900	105,400	421,300

	Exports—barrels per day		
	Crude oil	Products	Total
1955	40,600	2,600	43,200
1956	117,200	6,800	124,000
1957	152,500	8,400	160,900
1958	86,800	3,400	90,200
1959	91,600	5,800	97,400

Mr. Pearson: I should like to ask the minister a question or two on the oil situation, based on the progress that has been made

in achieving the objective for domestic marketings set out in the report of the Borden commission. I have made some calculations based on some figures which I was able to secure and which I should like put on the record. Perhaps the minister will comment on them. I hope they are accurate, but if they are not I am sure he will correct them.

These figures cover the first six months of the current year and deal with the consumption of crude oil, first. They show, too, that domestic consumption during this period of six months in 1960 totalled 78,675,000 barrels against 75 million barrels for the same period in 1959. In other words the consumption of domestic crude has gone up, but the consumption of imported crude also has gone up to 57 million barrels from around 55 million barrels.

Now, if I may call them that, the Borden report totals—we are within five months of the date on which these totals were to be reached—were 700,000 barrels of Canadian oil per day. That would amount to a figure for the six-month period of about 128 million barrels. We are therefore a long way from reaching this Borden total with only five months to go. The progress has not been as rapid as some hoped it would be. I have seen it stated by some experts that in the light of the experience of the first year, it may take about three years to reach that objective of 700,000 barrels a day. This means that very soon the government will be faced with the problem of deciding what to do about this matter. We are about five months from the date fixed by the Borden commission, but we are a long way from the objective. The increase in the consumption of Canadian crude in Ontario has been very modest indeed.

I ask the minister, therefore, if he can tell us what the plans of the government are for dealing with this matter. We had a statement a few weeks ago in which he said this would be a major problem for the government, and it would be given immediate consideration. Perhaps I could put on the record a paragraph from a column dealing with this matter which appeared in the Vancouver *Sun,* written by Mr. Gerald Waring, dated July 22, 1960. At the very end of his column he had this to say:

> And if it proved that western oil could be competitive with imported oil, it would put the west-east pipe line proposal on a sounder base.
>
> This speculation, of course, leaps far ahead of the existing situation. The government apparently has not made up its mind yet about requiring the Montreal refineries to accept western oil on a quota basis, and will not until parliament is out of the way—

I hope parliament is almost out of the way. Perhaps I should not put it in that form, but parliament is likely to be out of the way before long.

> —and it has the results of a national energy board study of the problem to guide it.
>
> But this is the direction in which the government will have to move, if it decides to catch the ball batted by the Borden commission.

In other words, the government will have to move in the direction of doing something to meet the objective set down in the commission report which apparently, and the minister will correct me if he thinks I am wrong, is not being met by other marketing forces.

Mr. Churchill: The Leader of the Opposition has raised a problem of considerable magnitude. It is a problem which is very complex in its ramifications. The Borden commission produced two excellent reports, one on gas and one on oil. The second one, on oil, has been very carefully studied by the national energy board and by the government, and we are fortunate in having set up the national energy board where people can devote their whole time to problems of such importance to Canada as gas and oil.

The national energy board, as hon. members are aware, will have been in operation for just one year on October 1, and in the course of that time has wrestled with the extremely difficult problem of the export of gas and the number of applications which have come before it, and it has settled some of those problems. It has facing it the consideration of a number of applications concerning the export of electricity by Canada which has been conducted on a year to year basis, and before renewal of those applications public hearings have to be held and the consideration of the national energy board must be given to them.

Superimposed upon those two great problems has been that of oil. Canada is blessed with great quantities of oil. It has a great developing oil industry which feels that it could move much more rapidly if certain decisions were made or if the export market were enlarged, and naturally we are concerned, as is every Canadian, with the development of national resources and the importance of gas and oil.

The oil industry has become substantial and well established in western Canada; its problems are known to the government and to the Canadian people, and were reviewed in the report of the Borden commission. In the course of that report certain targets were set as being acceptable in order to sustain and enlarge the oil industry so that the productive capacity of that industry in Canada, certainly in western Canada, could be increased; because following upon that would come exploration to discover more oil and one thing leads to another. This enlarges the opportunity for other employment, and

makes available to Canadians a source of power which is essential in modern times, and as exploration continues maps out the reserves on which we can base plans for the future development of Canada.

The Borden commission report indicated that if a production target could be reached of 700,000 barrels per day, that would be a great help to the industry, and it indicated that a period of time should be permitted to allow the industry a chance to adjust itself to that production. It examined the consumption requirements in Canada and the export possibilities in the United States, and over the last year along with the energy board I have been watching closely the developments in the oil industry and the situation with regard to our export markets in the United States. We see the problem more clearly and appreciate the difficulties which face us.

The obvious market for the export of Canadian oil is of course the United States, but there are some difficulties there with competition from other sources. There are obvious large markets in Canada, but whether they should be sustained by oil from other sources or from Canadian sources is a matter yet to be determined because there are so many factors involved. Again, it cannot be a matter for easy generalization; there are too many complicated factors for a quick or early decision which would not be based upon sound information.

The situation at the moment is this, and I stated this in the house some time ago. It is a matter of priority for the government, and the responsibility rests with us to determine some of the aspects with regard to the oil industry and try to forecast the future. At the present stage of progression I have asked the energy board to assemble the information which is required so that a proper decision can be made. That involves bringing up to date the statistical information contained in the Borden report and adding fresh information that is perhaps now in the hands of the energy board or can be obtained from the industry itself; then setting up the various problems which face the oil industry not only with regard to our domestic market but with regard to our export market.

In order to make a proper assessment of that we have to know the situation in the United States with regard to their policy on imports of oil, and we have to know something about the world situation with regard to the production of oil. It has become one of the great problems facing us at this time, and before too long I hope we will have available all the facts and figures which are required to reach a decision in order that a proper, and sound policy for the whole industry in Canada can be formulated.

[Mr. Churchill.]

I do not foresee any easy route in reaching the decisions which are required. The problem is not without great complications, and we have to consider, as we did with the subject of gas, the question of reserves and Canadian requirements and try to forecast the future. Fortunately the Borden commission made a very extensive study of the oil industry, and that will be the foundation on which we will move forward in the course of the next few months to determine what should be done. We expect the interest of the provinces and the co-operation of industry in this search for a solution, and I am sure that in the field of power, whether it is electricity, gas, oil or atomic energy, Canada as a whole is very much interested; because it is on the basis of power, and cheap power from whatever source, that the industrial strength of Canada can be maintained.

These factors and others are now being considered. I cannot say when the studies will be completed, but they are already under way. The national energy board is now fortunately organized and experienced, and will be of great help to the government in assembling this information and presenting advice based on the knowledge and experience which is essential with regard to an industry that has such great complexity as the oil and gas industry of Canada.

That is as far as I can go in answer to the question of the Leader of the Opposition. We are apprised of the problem; we are working on it, and we hope before long to present to parliament and the public our views with regard to the oil industry of Canada. This is a matter which will be awaited with a great deal of interest and even with impatience in some quarters, but we feel it is better to move slowly and effectively rather than to rush in without all the facts being at our disposal.

I think all members will agree that the action taken in this regard should be based on a study of all the facts available in order to reach a sound conclusion. The decision with regard to gas exports has given a great stimulus to the whole of the petroleum industry which, of course, is as much interested in gas as in oil. With that background of experience and sound decision I think we can rely on the energy board to bring forward sound proposals with regard to this other problem that confronts us. As I indicated some time ago, this is a priority task, and it is being treated in that manner.

Mr. Pearson: I think the committee will be grateful to the minister for the statement he has been able to make on a subject of such great importance to our national development as the development of a national oil

policy. As the minister has said, and as I am sure we all agree, there is no easy route to the solution of the problems he has mentioned, and I am sure the minister is grateful that the national energy board is at his disposal to give him advice on this and other matters. Perhaps I might be permitted to pay my tribute to the manner in which that board is working.

It is true that the Borden commission made an expert and exhaustive survey of this question, and as a result of that survey the commission came to the conclusion that the Canadian oil industry could live—and I am paraphrasing what was said—reasonably comfortably with a situation which would permit them to market 700,000 barrels a day. Five months from the date which was set for this result that figure has not, of course, been realized, and I suspect it will not be realized in any event unless there can be increased access to the United States market. The minister has said that is the obvious market for a large proportion of our production, and of course that is true. But there is nothing, to a layman at least, very obvious about the way in which the oil industry works in the United States. While it is true that in a well-ordered continental society, if we really had continental co-operation and consolidation in these matters, that is where a great proportion of our oil production should be going, there are forces, as the minister knows better than I do, which are working against such a development; forces not only of domestic competition which will reflect themselves in domestic political action, but forces which arise no doubt because an industry which may be domestic is also very international in its scope. Therefore the great corporations have to weigh their interests in Canadian supplies against their interests in those from Saudi Arabia, Venezuela as well as from the United States itself. So the development of a national oil policy which will ensure the exploitation of these great oil resources for the benefit of Canada will have, shortly, to be undertaken.

We can talk about this subject at length, though I am not sure whether anybody wishes to do so at this time, but I should like to ask the minister if he is reasonably satisfied as to the situation with regard to United States action that may be taken to interfere with the increase in our marketing in that country. I know that within the last year or so ago this stupid argument that the United States government should take action against our imports on grounds of security has been dropped. There could be nothing much more unreal than that kind of argument, but there are other considerations at work, and perhaps the minister might be in a position to give his own views as to whether we are likely to be faced with less or greater restrictions as we try to reach this market, which is the natural market for such a high proportion of our oil production.

Mr. Churchill: Again the Leader of the Opposition has raised an important matter. I do not see any change on the horizon in the present arrangement regarding the export of Canadian oil to the United States. As the hon. gentleman pointed out, we experienced some difficulty a couple of years ago, but that was cleared away and there has been no indication recently that there will be any change in the present arrangements.

Item agreed to.

The Chairman: Would the committee like now to revert to item 395, or would it still like that item to stand?

Mr. Pearson: It depends on the minister.

Mr. Churchill: I am not in a position to give the assurance which was requested by the Leader of the Opposition and the hon. member for Essex East. I wonder if there will not be an opportunity to raise the question they have in mind without actually linking it to a section of the estimates of this department. This is a subject which has been raised from time to time in the house, and perhaps other opportunities will occur later today. If on the other hand hon. members feel that something more should be said on this item, I cannot, of course, press them on that; but I do think the subject could come up in some other way rather than be linked with this particular item which affects more matters than just an interdepartmental report. I leave it to the good sense of the opposition.

Mr. Pearson: We try to be sensible about these matters, and whether the question comes up under this item or in some other way does not make much difference. The minister has some other matters to bring forward for consideration, some other appropriations. I am thinking particularly of the national research council. Perhaps if this item could just stand until we have cleared up the minister's other problems, by that time he will be in a position to decide what to do about this, and by that time the hon. member for Essex East will have finished his lunch.

NATIONAL RESEARCH COUNCIL

256. Salaries and other expenses, $27,965,857.

Mr. Batten: As a member of the special committee on research I should like to make a few comments at this time, but in view

of the hopes and aspirations that we hear voiced around the corridors today I shall try to make them very brief.

In the six or eight meetings of this special committee on research which we were able to hold it was necessary to confine ourselves to the general policy of organization and administration. The offices of the national research council prepared especially for this research committee the little pamphlet I hold in my hand, which I suppose I could refer to as the little grey book. In my view it is a very fine summary of the work of the council. I hope the minister or the president of the national research council will see to it that this publication receives wider circulation than just hon. members of the House of Commons or members of the special committee on research. This booklet certainly gives a fine idea of the work done by the council. Because of that fact and because it is written in layman's language I think it should be widely distributed throughout the country. My reason for saying that is that it gives an excellent idea of the work being done by the council, not only in Canada, but also the successful efforts that are being made by the council to rank Canadian science with that of other countries of the world.

As I said before, there was time to discuss only in a limited way the organization of the council. I suggest to the minister that there are many more interesting phases of the work of this council which could be gone into. I suggest to him that this committee be resumed early in the next session so that many of the interesting things that can be considered in the committee may be discussed with the officers of the national research council.

I suppose it is true that some of the work that council is doing has resulted from tasks which it was given some years ago and which perhaps do not now form a very important part of its work. I refer particularly to the Canadian government specifications board. The work of this board probably could be more properly delegated to some branch of the treasury board. Perhaps the minister will see fit to recommend transferring it from the national research council to some other appropriate authority.

Those who came before the committee at its meetings were able to assure us of the fine work which is being done and tell us of the contribution that is being made by Canadian scientists to world science in general. I should like to commend the work of Dr. Steacie and his associates, who were most anxious to give to members of the committee all the information they thought was pertinent to the various topics discussed. They went to all sorts of trouble to provide facts and figures which were not contained in the grey book, and were very anxious to give satisfaction to all hon. members of the committee. For that I wish to thank Dr. Steacie and those associated with him.

The council established in 1916, then known as the national advisory council for scientific and industrial research and now known as the national research council, was at that time a very small body. Even in 1917 it consisted of only 11 men. Those 11 men began a survey of Canada's scientific resources. Two things followed from that survey. First, it became very evident that industrial research was almost non-existent in Canada. Second, it was recognized that the national supply of research personnel was most inadequate. In our universities at that time we found university personnel almost completely absorbed in undergraduate work. There was little time for research. Graduate scholarships were lacking, and most of our postgraduate students took their training outside the confines of Canada. Only a small percentage of them returned to this country.

The council was able to set up a system of scholarships and grants so successful that today they form an important part of its present activities. The council has been able not only to do its own work but has given a great impetus to research in industry which has been improved over the years. It is now rapidly approaching the point where industrial research in Canada is becoming equal to industrial research in other countries.

Here in Canada, of course, we have a number of problems that require research. I am sure that in industry and in defence there is a great need for research on ore. We know there is a great need for medical research, too. Most of that type of research is now being done by the universities and is sponsored by the national research council. A great deal more could be done along that line than is now being done.

We should also have research done on the transmission of electrical power. I speak of that because it is of particular importance to my province, where we have a large potential on the Hamilton river, something exceeding 5 million horsepower. If it were possible to devise some method of transmitting this power the value of that source of energy would be much more important than it is today. We have stretching across this continent, and particularly in the west, pipe lines transmitting oil and gas, other forms of energy. There is no reason why we should not have a grid across this country transmitting electrical power, particularly when we have the sources that will supply that power.

As hon. members know, electrical power is transmitted by alternating current at high voltage for relatively short distances. If electricity has to be transmitted at high voltage for distances beyond 700 or 800 miles some difficulty arises. In some countries in Europe a great deal of research has been done with respect to the transmission of electricity over long distances by transmitting the electricity in direct current form rather than in alternating current form. I hope the national research council will gather some information regarding the possibility of transmitting electrical energy in Canada over long distances at high voltage by means of direct current.

I was referring to the growth of the national research council. Twenty years ago only 300 people were employed by the council. Today we have 722 employees on the scientific staff, 972 on the technical staff and 896 on the administrative and service staff, making a total of approximately 2,600 employees, and this even without the defence research and atomic energy employees.

The efforts of the council have provided not only much of the scientific research required in Canada, but have made a contribution to scientific knowledge in general. Reference was made in the committee hearings to the scientific journals and I shall comment further on those. At page 121 of the fourth volume of the minutes and proceedings of the special committee on research Dr. F. T. Rosser explained that the journals of the national research council enjoyed a wide circulation. He said:

> The journals go into every country in the world that has important scientific institutions. I have given you the figures for Russia, and the Chinese figures are even larger than Russia's. There are 315 subscriptions going into 14 institutions in China; and, on exchange, there are 19 subscriptions in 5 institutions. This is true all around the world. The same is happening in every country that is progressing scientifically.

Dr. Steacie went on to say:

> Thirty or forty years ago there were just the odd small groups which were internationally well known. There has been a very big increase since. The net result is that scientifically, rather than being in the backwoods we have now become one of the important scientific countries of the world.

I think we have reached this status largely because of the efforts of the national research council. Its journals, of course, are the publications of the work done by the council and are the end product and the permanent record of the research work carried on. We know that our research work here in Canada is very acceptable to many other countries of the world, and perhaps two reasons can be cited for that assumption. First, the journals find their way into the scientific libraries of all the major countries of the world; second, Canadian scientists now publish their papers in the Canadian journals, where years ago the papers were published in the journals of foreign countries.

In 1945-47 the average total pages for the Canadian journals was 1,710; the average for 1957-59 was 7,722. Circulation in May, 1960 totalled over 10,000, with 4,000 in Canada and over 6,000 in foreign countries. I recite these figures just to show the progress which has been made by the national research council and the effort which is being made to distribute scientific knowledge gained in Canada to the rest of the world.

The basic functions of the national research council, as I understand them, are the promotion of scientific research, the operation of laboratories, and university research in Canada; and in these three functions, I believe Canada is being well served. The council should be given every opportunity to expand its activities in its own way either in fundamental or applied research.

Finally, Mr. Chairman, I again suggest to the minister that this committee be continued next year, so that perhaps many of the most interesting problems relating to the national research council can be discussed at that time.

(Translation):

Mr. Dumas: Mr. Chairman, as we take up this item, I draw to the attention of the committee and of the authorities a matter which, for more than three years, has provoked much comment and annoyance among people in northwestern Quebec. I refer to the experiments being made in that area of the province for the purpose of inducing artificial rainfall by seeding clouds with crystals of silver iodide vaporized in generators commonly referred to as "rainmaking machines", or by means of aircraft.

To introduce the subject, I had better quote some excerpts of an article published in the *L'Echo Abitibien* of July 21, 1960, under the heading:

> June rainfall: 7.45 inches.

After quoting certain statistics, the paper concludes as follows:

> As the saying goes: "It rained so much that no one remembers when it rained more." The "Union Catholique des Cultivateurs" and the chambers of commerce in the area keep protesting against the uncontrolled use of rainmaking machines, which are reportedly very active at this time. The national research council is even said to have selected the area for its experiments this year. Last year, a federal government B-25 aircraft is said to have passed the summer in the Abitibi, seeding the clouds.
>
> On the other hand, some authorities vigorously deny having anything to do with the heavy rain-

falls now occurring in western Quebec. However, learned articles have been written stating that no data are available on the effectiveness of rainmaking machines.

Those remarks seemed to imply: "Since we have no specific data, rainmaking machines are not doing any damage in the areas where they are used."

Meanwhile, our crops are getting a beating, our lakes and streams have swollen to levels unprecedented for this time of the year, and tourists are seeking fun and relaxation under different skies.

As early as 1958, the Val d'Or-Bourlamaque chamber of commerce had instructed the members of its tourist industry committee to inquire into the rumours to the effect that tests on a fairly large scale were being made in the area to induce rainfall by artificial means.

The committee which made the inquiry reported on January 14, 1959.

That report, in the form of a 28-page brief, contains very interesting information. I cannot list all the details here, but I might quote a few excerpts from the first two pages, which read as follows:

In compliance with the expressed wish of members of the Val d'Or-Bourlamaque chamber of commerce, we have looked carefully into the problem of artificial precipitation of rain and snow.

This report is a record of our research and interviews, and includes reprints of articles published in various newspapers and magazines that have shown interest, in recent years, in this matter which we feel is of the greatest importance for the stability and especially to the development of our tourist industry and our agriculture.

It is obvious, Mr. Chairman, that rainmaking equipment considerably increases normal rainfall, with consequent damage to our businesses, industries, settlers and farmers.

Indeed, as a result of our investigation, we have reached the conclusion that no control is being exercised over those rainmaking machines. Hotelmen and businessmen agree that there is a drop in the tourist trade. How can it be otherwise when we have had so little sunshine to offer tourists during the so-called "fair season," especially in the last two years.

The report then prints a whole series of articles from newspapers and scientific journals dealing with the possibilities of producing rain by artificial means. It also refers to certain experiments conducted in Canada and in the United States. I do not propose to read all those articles, but just the same I should like to read the conclusions of the report which is found on page 28 of the brief:

We must face the facts: scientists have developed a way to induce artificial rainfall. It seems that this discovery, which could be of great service to humanity, in periods of drought, is being used and applied by two large corporations whose apparent sole concern is to produce rainfall for the benefit of a few customers, such as operators of logging companies and other such companies. Since there is no control over the operation of the machines, they are being used at the detriment of our local tourist industry and of our store keepers, contractors, engineers, air transport companies, prospectors, miners, workers, transport companies and farmers. They are also detrimental to the health of our local people, who are thus deprived of the precious benefits of sunshine, especially in a part of the country where summers are already relatively short.

We honestly believe that it is the duty of the Val d'Or-Bourlamaque chamber of commerce, at whose request we have undertaken the survey to call to the attention of people in larger centres, through their chambers of commerce and municipal bodies, to that abnormal situation, so that those same public bodies may undertake further research as a basis for representations calling for government action in controlling those rainmaking devices.

Mr. Chairman, so far this year we have an excessive amount of rainfall in northwestern Quebec, and people there are convinced that the experiments and tests carried out in the area in connection with artificial rain have something to do with it. The matter was first brought to their notice by articles published last May and June.

The first of those articles appeared in the *Financial Post* of April 2, 1960, and reads as follows:

(Text):

Many industries, governments and the military will be watching closely this summer as giant and repeated rainmaking efforts are made in Quebec's Rouyn-Noranda area. Private and government groups are backing the experiment, called precipitation physics project. Truly successful rainmaking could revolutionize farming, forest fire fighting.

(Translation):

The second article, which aroused the people's anger, appeared in the *Imperial Oil Review* for the month of June under the heading: "Water, Life's Pivot". Here is what it said:

Hatfield—

A scientist,

—had discovered "cloud seeding", a technique which is still being tested. At Val d'Or, Quebec, the national research council is conducting experiments on the seeding of clouds with silver iodide crystals. The final results are not yet known, but according to British and American tests, the technique increases rain precipitation by 10 to 15 per cent in hilly country.

In an article published in *L'Echo Abitibien* for July 7 last, and sponsored by the chamber of commerce of Val d'Or-Bourlamaque, we find the following paragraph:

We know that last year the same national research council sent a B-23 type plane to Val d'Or, in charge of sergeant Miller, to carry out cloud seeking and research work north of the city. We feel that we could very well do without it at this time.

And the article goes on to say:

How long will we, in the northwest, have to go on serving as guinea-pigs for experiments on the rainmaking machine, which surely has proven itself in our area over the last three years, despite statements to the contrary from some people who have a financial interest in trying to prove the opposite?

Then the article goes on to say:

We would suggest that letters be sent by the federation of chambers of commerce to the various departments concerned, asking for some control over those machines which could be operated for the welfare of the community, but which at present are subjected to no control and are operated for the benefit of a few large corporations.

I do not intend to deal much more extensively with this matter; however, I would like to say this. Following representations made by the chamber of commerce of Val d'Or-Bourlamaque, the Abitibi federation of chambers of commerce contacted the Minister of Transport (Mr. Hees) and asked him to comment on this matter of artificial rain and on the experiments which are made in northwestern Quebec.

Following this correspondence between the federation and the Minister of Transport, the *L'Echo Abitibien*, of July 28 last, published a very interesting article from which I will quote a few excerpts. It is entitled:

Rain experiments in our region.

And the article begins as follows:

The population of western Quebec has just received not only a first implicit confirmation that this area is the site of experiments on weather modification, but has received an outright invitation to sacrifice itself for the advancement of science in this field.

The article then quotes parts of Mr. Hees' letter and adds the following comment:

According to the signer of the letter of July 22, the federation is said to have asked last spring for "discontinuance of experiments on precipitation", whereas, apparently, the local chambers of commerce have invariably asked for "control in the use of rainmaking equipment".

In any event, the minister says that when he inquired from his officials, they gave him the following explanation:

"As you know, the wide variation in atmospheric precipitations from month to month and from year to year, in a given locality, causes either a great lack of rainfall or excessive rainfall, as was the case this year in your area." We assume that the phrase "as was the case", used here, refers to "excessive rainfall" rather than to the words "lack of rainfall".

But let us go on. "The economic advantages", adds minister Hees, "which might result from an increase or decrease, through human intervention, of atmospheric precipitations at a given time and in a given place, would surely be considerable. Many experiments have been undertaken in order to discover the secret of the process of precipitation, and of the control or change of this precipitation".

After those general remarks, the minister admits that "even if this process is not adequately understood, many business firms have undertaken to increase precipitation and do away with hail in certain localities.

Because of inadequate knowledge of the physics of clouds and rain, and in view of the great difficulty of ascertaining the effects, if any, of those experiments, my department has been asked to assess the methods now in use to modify the weather."

"On account of the economic possibilities inherent in weather modification, added the minister, especially with regard to forest fire fighting, water power and agriculture, it has been decided that steps should be taken to increase scientific knowledge on the cloud and rain formation process, so that reasonably accurate information can be made available to all concerned."

Mr. Hees then deals with the experiments themselves. "Therefore, a scientific project has been launched for the detailed study of all aspects of cloud formations and precipitation.

An airplane equipped with special instruments studies the composition of clouds and carries out an extensive program of observation in the clouds and in thunderstorm areas. The rainfall accompanying such thunderstoms is recorded in detail in two test areas by means of ground instruments which show the curve of quantity and intensity of the rainfalls".

"Part of those tests, adds the letter, consists in making a comparison between clouds treated with chemicals and untreated clouds, in order to obtain a wider range of information on the rain formation process. In the present case, silver iodide crystals are used. This comparison is not in itself an attempt to increase or decrease rainfalls, but simply part of a general scientific investigation."

"As I know, concludes the minister, that members of your chamber of commerce are interested in man's ability to modify and control certain elements in nature, I believe that, now that they have more complete information, they will wait for the results of the test, instead of worrying about the damaging effects which might result from it."

"If you wish additional information, or if I have failed to describe certain aspects of the matter, please let me know", (signed by) Mr. Hees.

We suppose that the two chambers will find the minister rather reticent, even if he admits a good deal, and that they will, in fact, ask him some questions, more particularly about the necessary duration of those tests.

That, Mr. Chairman, is the most important point.

The people of northwestern Quebec through their chambers of commerce and other local organizations, are asking the relevant authorities to establish efficient control of the problem of artificial rainfall and of its rainmaking machines used in those tests. The request is a fair one, and I have good reasons to think that the government will give it all the attention it deserves.

(Text):

Mr. Best: Mr. Chairman, I should like to make a few remarks on this vote for the

national research council. I think few Canadians would question the fundamental importance of research and increased research activity in this country. I have always felt that in a small country like Canada with our problems of exports imports, and the use of our vast store of natural resources, research on a per capita basis was even more important than in many other lands around the world. Like the hon. member for Humber-St. George's, I would certainly hope that our committee on research which was set up this year, and which had a few meetings, could be set up again at an early date next session in order that we might continue our work of examining the national research council and other bodies involved in research in this country. There is very much that remains to be done in the way of increasing and sponsoring research by the government of Canada. Nevertheless I am proud, and I am sure other members of our party are proud, of the very important and creditable record of our government in the last three years in the field of government sponsored research.

Speaking from memory, if my recollection is correct our grants to the national research council, for instance, have about doubled during the period from 1956 or 1957 until 1960. This year we are talking of a sum in the neighbourhood of $33 million, which is a vast increase in such a short period of time and will certainly provide a stimulus to research in this country. A part of this increase is in a very important field, that is the area of scholarships and grants in aid to universities. Universities are a natural training ground for students, graduates, fellows, and teachers, and as a result of the mingling of the teaching staff with the research staff seem to me to be the best places where money can be used for the purpose of increasing research efforts in this country. The increased amount granted by the national research council for this, is certainly most stimulating.

I should like to mention briefly a most important document that was tabled the other day, and which I think could be referred to under this heading; that is the report of Dr. Farquharson's committee studying medical research grants and the aid that could be given to medical research by the government of Canada. I think it is fair to say, Mr. Chairman, that this document is the most important one of its kind in recent decades in this country. Its recommendations and its whole purpose are crucial to the medical profession and the people involved in medical research in Canada. As an aside, may I say I am hopeful that perhaps some day we will have the same sort of study, and perhaps the same sort of decision eventually, in regard to an agricultural research council in Canada.

The recommendations contained in Dr. Farquharson's report are most interesting and I should like to refer to two or three of them. First there is the establishment of a separate medical research council under terms similar to those of the national research council. I am hopeful this recommendation will prevail with the government, and that the Minister of Trade and Commerce and the Minister of Finance will recommend the establishment of this separate body in the near future.

There are several other recommendations that are worthy of note. For instance, there is the one that an interdepartmental medical research co-ordinating committee be set up to integrate the activities in medical research presently being carried on in the department of health and welfare, the Department of Veterans Affairs and the defence research board. There are recommendations involving finances to be used for the purpose of medical research, some of which relate to the budget of this proposed new council itself. There is mention of the sum of $4 million for this purpose, and then a reference to the large amounts of $25 million and $12 million respectively for new medical schools and for research facilities in hospitals. These amounts total approximately $40 million in all, and would provide a tremendous stimulus for medical research in our country. I was most interested in seeing the tables in Dr. Farquharson's report indicating government expenditures devoted to medical research in Canada, which in one column are expressed as percentages of the gross national product. These tables indicate that in the years since our government assumed office we have made some major increases in these expenditures. As a matter of fact they have been increased in the period 1956-57 to 1959-60 by almost 50 percent. Nevertheless, when one looks at tables I, II and III in this report one can see how far we are behind such countries as the United States in government expenditures for this purpose. The table indicates that we have a long way to go to catch up to the United States and other countries. This area is one to which the Prime Minister and the cabinet will have to give detailed consideration in the future. I believe this report marks a milestone in the study of research facilities and research funds for medicine in Canada.

Mr. McIlraith: The report of the special committee on research which sat during this session of parliament contains a recognition of the fact that the committee did not have an opportunity to do its work thoroughly. There is a reference to this in the report, as

I say, and I want to direct a specific question to the minister concerning it. The committee recommended that it be reconstituted early in the next session of parliament in order that it may continue its deliberations. This recommendation was made after the explanation concerning the difficulty of examining the subject matter in the limited time available. Is the minister in a position to give an undertaking now that the government will bring forward a motion to set up this committee at an early stage in the next session?

Mr. Churchill: I feel very sure that will be done because of the importance of the study the committee will want to undertake. It did not have time to complete its survey this year. I am in agreement with the hon. member for Ottawa West that the committee should be re-established.

Mr. McIlraith: I have one other question with regard to the report to the minister by the special committee appointed to review government supported medical research. The report was tabled on August 6, and it is very interesting. I do not propose to discuss it today, but it contains some very specific recommendations for the setting up of a medical research council and refers, among other things, to the budget for that council. Has the government made any decision as yet on this matter? If so, what is that decision; and if it has not taken a decision when may we expect such a decision to be taken?

Mr. Churchill: In connection with the recommendations, not all of them have been adopted. The one concerning the setting up of the medical research council is approved and, so far as this year is concerned, it will be set up under the jurisdiction of the national research council. Subsequently, when we have had time to consider, it will become a separate entity, but for the moment it will come into being and will operate independently for all practical purposes, except that it is under the national research council for the presentation of estimates to the house.

Mr. McIlraith: It will carry on in the interim as an activity of the national research council alone, separate in form but under the legislation governing the national research council?

Mr. Churchill: Yes. It is quite separate, except that the national research council will be responsible for the administrative services required by the medical council.

Item agreed to.

Atomic Energy Control Board—

35. Administration expenses of the atomic energy control board, $62,755.

Mr. Pearson: Mr. Chairman, this vote deals with the atomic energy control board, and is perhaps the vote under which most appropriately can be discussed atomic energy and matters connected with the uranium industry which is the source of that energy.

This particular vote and the questions relating to it were considered by the special committee on research, but that consideration, Mr. Chairman, was very short and cursory. The committee had one meeting only on the question of atomic energy, during which it received a very interesting and valuable report from the president of Atomic Energy of Canada Limited. After that report I think there was opportunity for five, 10 or at most 15 minutes' discussion, and that was that.

It is unfortunate, to say the least, that a matter of this importance received such limited and insufficient consideration by the committee. The president in his report explained the development of atomic policy in what I thought, although I was not at the committee meeting, was a very impressive way. He explained to the committee why the development of atomic energy was taking the form, so far as power is concerned, of the kind of nuclear reactor which is moderated by heavy water and fueled with natural uranium. There has been a great deal of argument as to this form of nuclear power development versus other forms. I am not qualified to express any opinion on that highly scientific matter, but we must all hope that the course along which we are moving in this connection will turn out to be the proper one.

Related to this question is the position of the uranium industry in this country as the source of atomic energy. It is clear, of course, to everyone who knows anything about this subject that our supplies of uranium are so great that whatever may be the developments in terms of the non-military use of atomic energy in Canada, we will be able to consume only a very small portion of this commodity. Therefore we have been and are still dependent on export markets for the maintenance of this industry. Above all we are dependent on the United States of America, which has taken in the past and is at present taking practically all of our production.

I was interested to read in the report of the president, at page 187 of the minutes of the meeting, that—

Canada has also been fortunate in its close collaboration with the United States since the war years.

That is, on atomic energy matters. I think we have been fortunate in our collaboration in the matters with which the president was dealing, but certainly we have not been so fortunate in the last year in our relationship to the United States as the market for our uranium production. As a result of the action taken by the United States government last August, I think it was, the industry and those communities which depend on the industry have received a very severe blow to their future development, and indeed to their very existence as communities.

The importance of this industry in our national economy is not appreciated by very many people because it is a new development. Most people are not aware that last year we exported more than $300 million worth of uranium, mostly to the United States. In the present year there will be a diminishing export, and in two or three years, unless something happens to restore the market for this uranium in the only place where it could be restored, the United States, our exports will have largely disappeared. It will be a very difficult period indeed which we will have to face until the world again needs our uranium as a source of energy. That is bound to come, but there is going to be a gap between that time and the end of our contract with the United States. The uranium communities, especially Elliot Lake which is the largest of them, have to prepare for some pretty lean days during that period.

While I understand the pressures in the United States from domestic producers, I think in refusing to take up the options which were in the original contract the United States has not asked in a way we might have expected from a neighbour and a friend which talks so much about continental collaboration in defence, which should mean industrial collaboration for defence as well as other forms of defence. In any event, as we know, the United States government did not take up any of the options last summer, and an arrangement was made between the two governments in Ottawa and in Washington for a stretch-out of existing contracts.

We have been told, Mr. Chairman, that the original contract, which was for five years, should have been negotiated on a longer term basis. We are told that we on this side, who were responsible at the time for the negotiation of this contract, should have realized then that there would be a decreasing market for uranium as the years went by, that therefore we should have held out for a longer period, and that we should have anticipated this lessening demand and the difficulties ahead.

We on this side who were concerned with this matter at that time are told we should have taken this position in 1954 and in 1955, when the contract was negotiated. We were supposed to have known of all this at that time, although some years later when the situation was in fact changed because of the development of United States production, those on the other side who are now responsible for these matters were not themselves aware of the difficulties. The Minister of Transport made it clear in October, 1957 that in his view, and I quote, we could "now look forward to continued and extensive development in this field of the mining industry". By that he meant the uranium industry.

At that time the preoccupation in this house, when the matter came before the house and the committee, and in the minds of those concerned with this industry, was that we were tying up our production for too long a period of time rather than for too short a period of time. That caused a little difficulty at that time with the United Kingdom, which had to make special arrangements with us in order to get any share of the production which had been earmarked for the United States.

Therefore it is hard to appreciate why a situation which was not considered difficult in 1957 and 1958 should have been considered difficult in earlier years. Indeed, as late as July of last year spokesmen for the government, including the Minister of Trade and Commerce himself, said that we on this side were being too pessimistic when we said there was only one thing which could save the industry, and that was by intervening at the highest political level with the President of the United States to ensure, if it could be ensured, that these options would be taken up. That was not done and we have a stretch-out instead, so the uranium communities are in difficulties.

When this matter came before the house—and I will resist the temptation to go through the record in *Hansard*—we were told that the government was doing something about this situation. We were told there was a fact-finding committee. We were told the government was aware of the seriousness of the situation, and that there would be visits to Elliot Lake and other places. In answer to our request from this side regarding what was being done we were told to be patient. Finally in May we were told that another committee had been set up to look into the situation. As a matter of fact I think the first committee was set up in December, 1959 to

deal with this matter—the minister will correct me if I am wrong—so then we were told in May, 1960 that the remedy would be the setting up of another committee.

I am asking the minister if he can inform us what proposals have been made by this committee which even now might be of assistance. What, even now, can the government do to help these uranium communities to face the difficulties which have been created for them?

There are various things that could have been done. There are various things that have been considered very carefully by the province of Ontario as things that should be done. Indeed the province has taken action in some respects. If you really want to learn about the difficulties and what can be done, Mr. Chairman, you will get a great deal more information by reading the *Hansard* from Queen's Park than by reading the *Hansard* of Ottawa. That is where I get most of my information. That *Hansard* from page 1700 on quotes letters exchanged between Mr. Macaulay and the minister and gives a great deal of information as to what might be done to help the community of Elliot Lake.

I am not going into all the proposals made for such assistance. They have been made and rejected, so far as we know. The possibility of a nuclear research station for Elliot Lake was removed when the government decided to locate that station in Manitoba. The possibility of some financial inducements which would encourage new industry to move into this community seems to have been removed as far as I am able to ascertain. Certainly I know of one negotiation which has ended without anything being done. The possibility of a provost training school being established at Elliot Lake was removed by the Minister of National Defence the other night. The minister said it was going to Camp Shilo, and he thought the people of Elliot Lake would be in agreement with that decision. Well, he was wrong in that respect. I do know that the province of Ontario was willing to make available a school building for this purpose, but the department of defence considered the site not suitable, and so it goes. We do not know what steps if any are going to be taken in the federal field to assist these people who, without question, need help.

Of course there are other communities in Canada which have had misfortunes, and I would point out that sometimes they have received help. But this is a desperate situation for the uranium communities concerned. There is surely an obligation on both levels of government to do what can be done to meet the situation. That does not mean merely setting up a committee. So perhaps we shall get a report from the minister as to what that committee has been able to do.

It is not hard to understand the action of the United States government in refusing to take up the options last summer especially in the light of reports, some of which I have before me, of the development of new uranium production in the United States since the action was taken in Washington. However that may be, the results are apparent, and I am asking the minister under this item if he can inform the committee even at this late date whether these committees which have been set up—the first of them last December, the fact-finding group some time in March and another committee in May—have been able to make any recommendations to the government which would meet this problem at least in part and, if so, whether the government is proposing to implement such recommendations.

Mr. Churchill: I am not sure whether the Leader of the Opposition and I are in the mood to get into too spirited a debate with regard to some of these problems. We discussed them at length in March and I have covered all the ground, all the arguments raised on the other side. It is just open to question whether there should be a repetition of those views on this occasion.

There appears to be some doubt as to what information was available at the time the uranium contracts were entered into. The Leader of the Opposition has indicated that there was some concern that Canada, by entering into those contracts, might be committing too much to the future if her contracts with the United States for uranium were extended beyond the five-year period. Of course it is getting in the background now as to what should or should not have been done several years ago, but I have in front of me an extract from an address by Mr. W. J. Bennett, who was president of Atomic Energy of Canada. The address was delivered to the Toronto board of trade in Toronto on January 24, 1955, five and a half years ago, and Mr. Bennett said this:

> It is impossible to say at this time what the demand for uranium will be after March 31, 1962, the present expiry date of the guaranteed market. The military demand may continue at the present rate or may cease altogether. On the other hand, we may have a situation in which there is still government buying but on a reduced scale. Whatever happens, it can be safely predicted that there will be some requirement for uranium for use in atomic power programs in the early sixties. It is evident, however, that the demand for uranium in the early stages of a Canadian atomic power program will take up only a small part of our potential production. Consequently, if the military requirement ceases or is cut back substantially, Canadian producers may have to look to export markets

and should expect to meet the same conditions which prevail in the case of other base metals which are not in short supply.

There were other examples of warnings given in 1955. In fact, in March I read the warning given in September of 1954 by the late Mr. R. J. Henry of Eldorado Mining and Refining Company indicating the discoveries of uranium in the United States, the mines operating there and the supply situation generally. I wonder at what the Leader of the Opposition expressed as Canadian concern at the time the contracts were negotiated that Canada might be signing away some of her uranium for too long a period if the contracts were for more than a five-year interval.

However, the situation has turned out just as Mr. Bennett thought it might. The military demand declined and therefore the demand for uranium declined. Then we got into a position where the options were not going to be taken up and a stretch-out program had to be arranged. Not sufficient attention has been paid to the value of that program.

What actually faced the uranium industry in Canada was the shutting down of practically all uranium mines in 1961 and 1962 unless a stretch-out program could be arranged. What faced us before that was the shutting down of some mines in 1959 and 1960, with the loss of the undelivered portions of their contracts. So the arrangement made with the United States was that a master contract would be written replacing the earlier contracts. That master contract would contain the total amount of uranium that was involved in the other contracts and the delivery of the uranium in the future—in 1960 and the following years—would be under that master contract so that not one pound of the uranium contracted for in the earlier contracts would be lost to Canada. Where mines were closed their contracts could be transferred to other mines, and the total production for Canada would not vary from what had been arranged originally in the contracts signed for the five-year period.

This has meant to the Canadian uranium industry $120 million that otherwise would have been lost and not available to Canada. In all the discussion that has been going on about the stretch-out program, the failure of the United States to take up the options, and the criticism of the Canadian government for not doing what it could have done in the opinion of some people, I have heard very little commendation for the action of the government in saving for Canada and the Canadian uranium industry $120 million that otherwise would have been lost. This factor is completely overlooked.

[Mr. Churchill.]

The second part of the stretch-out program has meant that uranium mines will be continued in operation for a longer period than otherwise would have been the case. In the three major areas where uranium is being produced the mines will be operating into the years 1963 and 1964, whereas not long ago the prospects were that they would all be closed down by 1961 and 1962. Very few people have bothered to commend the government for making this arrangement, yet it is important to the communities affected and it is important to the miners working in those mines. The stretch-out program has accomplished just that, and has provided for employment over a longer period of time.

Some people not in the mining business but interested in supplying the mining community with the services required have said that it would have been better if there had been no stretch-out program and the mines had closed down in 1961 or early 1962, because they would have operated full blast for five years and the commitments that certain people had made in the business communities could have been met in that five-year period based on the payroll of the communities working full out. That is one way of looking at it, but from the standpoint of the employment of miners I think it is better to have the stretch-out program that carries them forward for another three years.

In the western regions the Port Radium mine, which was the original mine, has been closed down because of lack of ore and will be out of production this year. Beaverlodge and Gunnar are staying open. The employment factor there, including Port Radium, is 1,300 men at the present time, in the latter half of 1960. During 1961, 1962, 1963 and running into 1964 employment will be maintained at about 1,150. I am speaking now of miners in the mines and personnel engaged right at the mines themselves.

In the Bancroft area two mines will remain in operation. The employment figure for 1960 is roughly 1,000. It will continue at that rate during 1961 and 1962, and I hope we will carry that forward into 1963. Certain adjustments have to be made which will make it possible for the Bancroft area to carry on well into 1963.

In the Elliot Lake area some mines have been closed and others are staying open. My information at the moment is that Quirke, Nordic, Panel, Milliken, Stanleigh, Denison and Stan Rock are in operation employing for the second part of 1960 just over 6,000 men. It is expected that in the first half of 1961 the employment figure will be close to 5,500 and then it will be reduced to 4,500 and run at that figure well into 1963.

These three mining communities have not immediately collapsed because of the change in the uranium program. Through the stretch-out arrangements and the transfer of contracts, employment has been provided for almost 8,500 miners at the present moment, reducing by the end of 1962 to just over 6,000 and then in the latter part of 1963 to about 5,000. That is the over-all figure for the uranium industry.

By the end of 1963, however, we will have a much clearer picture as to the demand for uranium. It is my hope that there will not be a demand solely for military purposes, and it may be that a demand will be created in the field of peaceful uses of uranium. Perhaps by the time another three and a half years have elapsed other uses will have been found for uranium. Experiments are going on now which give some promise of success. Although the failure of the United States to take up the options has had an effect, although some mines have had to close down, and although the three communities mentioned have all been affected, nevertheless the situation is not as bleak as it has been painted. I am not so sure that we cannot do more. I believe that the stretch-out program came into being in order that those communities could be maintained. There is an adjustment period, of course, but that adjustment period is spread over three full years, 1960, 1961, 1962 and running into 1963.

The Leader of the Opposition has asked what has been done with regard to assisting the communities affected. An immense amount of time has been spent exploring the possibilities for assistance to the communities. Delegations have been met; individuals have been interviewed; a committee has been working at the job; and it has proved to be extraordinarily difficult to find immediately other means of employment for people in the three mining communities that I have mentioned. I have indicated, however, that employment is being sustained at rather a good figure; but to bring a new industry immediately into the area is not the easiest thing in the world to do. We have explored that to a very great extent. Some attractive leads appeared at various times but I cannot report that there has been success in some of those investigations.

We had nothing as a federal government in the way of an institution to put into any one of the three communities that I have mentioned. There was some discussion about the Department of National Defence placing one of its training schools in one of the communities, but the expense was very great and it seemed wiser to spend the money for defence in other ways than transferring a school to a community in which the army was not established.

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Commercial firms have been interested in the community of Elliot Lake, but we have not been able to reach any particular settlement with regard to the transfer of certain commercial firms to that area. In the past I have commended the people of Elliot Lake on their enterprise in attempting themselves to attract industry to that area, but it is difficult to do that in mining areas, and we appreciate that fact. However, we are open to suggestions from any source with regard to what may be done to assist industry to establish in one of those three mining communities so that employment may be sustained.

In the course of the next three years it may be that mining for uranium in the mining communities may become more important from the standpoint of world demand, or it might be that other mines may be opened, producing other minerals. That is the situation. The people who are seriously affected by the dislocation in employment that has come about through no fault of their own have been a matter of great concern to the gvernment. They did not foresee this break in what appeared to be rather a good and continuing future, but the break has occurred and adjustment has to be made. My hope is that that adjustment can be eased a bit over the next three years. In some instances it will be eased; in others it has been rather abrupt and we regret, naturally, that those people should have suffered. But I can assure the Leader of the Opposition and the committee that a great deal of effort has been put into trying to find alternative schemes to assist the three mining communities affected. At the moment, as far as the federal authority is concerned, it is the stretch-out of the program which assures the miners another three years of employment which has seen the major part of our efforts along that line.

Mr. Pearson: I do not want to prolong this discussion on what may conceivably be the last day of our session, but I want to deal briefly with one or two of the points made by the minister. He indicated that some of us did not understand or appreciate the advantages of the stretch-out. It should be clear, Mr. Chairman, that the stretch-out arrangement with the United States, while it prolongs the employment of the miners concerned, prolongs the employment of a smaller number of them because the stretch-out does not and cannot result, as I understand it, in the production of a single pound of uranium which was not provided for in the original contract. It is a difference, if you like, if I may put it in those terms, between sudden

death and a lingering death, I do not hesitate to say that the latter certainly is preferable. I have already said that the stretch-out is something; it does provide, if you like, for a lingering death during the period of which you may be able to find the remedy that may mean you will not die at all; and I admit that is better than sudden death; but if no remedy is found during the longer period, then the result will be just the same. It will be the end of this industry in its present form.

One of the points the minister made—he repeated this many times—was that we should have known something about this. Mr. Bennett is quoted as indicating that there would be difficulties in the future, and we should have been aware of those difficulties. The fact remains that at the time this contract was signed the only observation made in this house about it was by the leader of the opposition of that day, and it was along the lines that I have indicated, wondering whether we were not tying up our production for too long a period, and when the matter came before the committee there was no suggestion made by anybody which would justify the kind of warning that we are given now in 1960. Indeed, as the London *Economist* pointed out a little while ago, dealing with the United Kingdom phase of this matter, and I quote from an editorial:

> When the United Kingdom program was first drafted experts worried that the world production of natural uranium might not be sufficient to meet the United Kingdom needs.

This situation changed as soon as the United States began to explore and develop sources of uranium in its own country. It had every right to do this, but I suggest that the action should have been related to the commitments that the United States had made with Canada under its contract and its options. Once the United States began to ignore any such moral commitment and to find and to develop its own supplies of uranium in great quantities, then the whole situation changed and there was no possibility of getting out of this difficulty unless the matter was brought to the attention of the United States government in the terms which I have previously indicated. It was all right for them to find uranium, of course; but I suggest that in view of the relationship which existed between the two governments, having found that uranium, they were in honour bound not to develop it in a way which would prejudice the successful working out of the contract and its options. The United States did not do that, and once it became clear that the United States was not going to do that, then we were in trouble.

[Mr. Pearson.]

As I said in 1957, the only way we could get out of this trouble was on the highest political level. But the spokesmen for the government in 1957 did not think we were in trouble. I have already quoted the Minister of Transport. When we argued the case in the house along the lines I have stated it now, we were accused, as usual, of being prophets of gloom and doom. The doom has not descended on the industry but it is pretty gloomy and I certainly hope that something can be done to remove the gloom.

That brings me to the only other point I wish to make. What can be done? The minister has said that the government has worked hard. The committee has worked hard. I know that the hon. member for Essex South, who is head of the committee looking into this matter, has done very good and very hard work investigating the problem. I think anybody in the area from which I come is willing to acknowledge that, and I acknowledge it. I am grateful to him for the investigations he has made and for the way he has been willing at any time to receive anybody who had anything to say about this matter.

But the Minister of Trade and Commerce said, and I am quoting now from his statement on April 12, "The problem requires action on a broad front and that action is going forward." So far as we have heard this afternoon, in spite of the investigations that have been made and in spite of the work that has been done, it has not been possible for that action to go forward. I will only express the hope now that as a result of the work about which the minister has talked there will still be some possibility of action which will enable Elliot Lake and the other uranium communities to live over the very difficult period indeed that faces them to the time when they will face a far brighter future when uranium will be needed, we hope, for non-military purposes to an extent to which it is not required today.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

General administration—

395. Dominion bureau of statistics, including the fee for membership in the inter-American statistical institute and a contribution of $500 to the international statistical institute, $10,789,333.

Mr. Martin (Essex East): Has the minister been able to make his agonizing reappraisal?

Mr. Churchill: No agonizing reappraisal is involved. I passed on the request of the genial member for Essex East to my colleague the Minister of Labour and the situation rests at that point. While the hon. member

for Essex East was out of the chamber I put forward the question, important as the problem is to which he has referred, whether it was essential that it be tacked on to this particular item. We have got on pretty well with the estimates of the department and I was wondering whether the hon. member could not raise the matter in some other way or at some other time today. We have plenty of time yet today and I know we want to get on with our work if we can. I ask the hon. member to reconsider the matter and perhaps let this important item pass now.

Mr. Martin (Essex East): I can very well appreciate the minister's desire to have it passed. If, for instance, we could be given the opportunity of discussing this matter on the privy council estimates the minister would have an opportunity of consulting and discussing the matter with the Minister of Labour, but I do not think it would be fair to leave the matter under any other arrangement. This is the last item on which we can hang it in accordance with the rules of the house. If it will facilitate matters, there is no reason why we could not do what I have suggested. It would be understood that the minister or the Prime Minister or the Minister of Labour would indicate whether the suggestion made by the Leader of the Opposition is acceptable. Otherwise we are going to be in a very difficult position.

Mr. Pearson: Perhaps the minister will give us the assurance that if this infant is removed from his doorstep to the doorstep of the Minister of Finance or the Prime Minister, whose estimates will be coming up later, one or the other of these hon. gentlemen will take in this infant so we can examine it. If so, that will be all right.

Mr. Martin (Essex East): I do not like to differ with my leader but if we left it with the Minister of Finance I think the discussion would be a protracted one.

Mr. Fleming (Eglinton): Not today.

Mr. Churchill: I am not sure, of course, that I can give the assurances that are required, but the Minister of Finance is in a co-operative mood and he thought the suggestion was fairly reasonable.

Mr. Fleming (Eglinton): What suggestion?

Mr. Churchill: The suggestion that perhaps this subject matter might be raised when the privy council estimates are before the house.

Mr. Pearson: Would the minister tell the Minister of Finance what our suggestions are?

Mr. Martin (Essex East): In view of the co-operative attitude the Minister of Finance has displayed I think that in fairness to him I would want to withdraw my remarks which perhaps were true but were unfair in the context.

Mr. Fleming (Eglinton): Hear, hear.

Item agreed to.

DEPARTMENT OF FINANCE

General administration—

107. Departmental administration, $2,454,511.

Mr. McMillan: Is the Minister of Finance going to make a statement at this time?

Mr. Fleming (Eglinton): Mr. Chairman, I do not think there is any statement I can usefully make. The house has had many occasions during the course of the present session to discuss financial questions and budgetary and fiscal matters. On various occasions the house has very patiently heard the Minister of Finance on a number of these subjects, and for that reason I do not think I should delay the committee today with a statement. I have no announcements to make.

The house is well aware that while the estimates of the Department of Finance aggregate about $1½ billion they are, nevertheless, nearly all statutory in nature. If regard is had, for instance, to the main estimates and account is taken of the fact that we are withdrawing item 125 concerning university grants, in these main estimates there is only about $70 million to be voted out of the total appearing in the blue book of $1,443 million. In other words, of the main estimates only about 5 per cent requires to be voted and approximately 95 per cent is statutory in nature.

I have mentioned that we are withdrawing item No. 125. That, of course, was made known to the house several months ago during the debate on the bill to amend the Federal-Provincial Tax-Sharing Arrangements Act. Under that measure university grants have become a statutory item, and I indicated in the debate on that measure that when the estimates of the Department of Finance were called I would withdraw item 125.

Mr. McMillan: Perhaps the minister might answer one question. Would he tell us about the $101 million taken out of the stabilization fund? Was that taken into the consolidated revenue fund?

Mr. Fleming (Eglinton): Mr. Chairman, there was no money taken out of the exchange fund as the expression "taken out"

is ordinarily understood. There was absolutely nothing abnormal in any respect in any of the transactions carried on by the Bank of Canada as agent of the Minister of Finance in exchange transactions this year.

The function of the exchange fund is a very limited one, and it is unchanged. The method of operation is precisely what it was under our predecessors; there has been no variation or departure. This fund is not used with a view to directing the trend of the exchange rate. It is simply used day by day with a view to avoiding the sharp edges of the variations in exchange rates from time to time. There was no departure this spring at the time when there were rather active movements of the exchange rates from the basis of operation which has prevailed with respect to this fund for years. There have been some baseless slanders and accusations made in certain journals, one in particular in New York, that the Minister of Finance had taken advantage of an opportunity to reduce the exchange fund with a view to supporting the Canadian dollar and in this way to endeavour to counteract the rise in the value of the United States dollar and the decline in the value of the Canadian dollar in the month of May of this year. There were vague suggestions that this had been done deliberately with a view to reducing the amount of the exchange fund, and providing out of the proceeds Canadian dollars to supplement the cash available in the consolidated revenue fund. There is not one particle of truth in any of these accusations. The operations of the fund were completely normal in every respect.

Because there was such an active exchange market in the month of May, the transactions of the exchange fund were numerous, and because the trend of the Canadian dollar was downward in value the effect of the transactions was to bring about a reduction in exchange fund holdings of United States dollars. But this was only a temporary trend and the holdings of United States dollars in the exchange fund have risen since until at the present time they are approximately what they were at the end of April. I say to you, therefore, Mr. Chairman, there never was any truth in these vague slanders and accusations which emanated, in the first place, from New York. The operations were entirely normal in every respect, and the normal nature of the transactions is best reflected in the fact that by reason of the operations in the ordinary way, the way in which this fund has been operated for years, our holdings in the fund now are back approximately to what they were at the end of April.

[Mr. Fleming (Eglinton).]

Mr. McMillan: Mr. Chairman, one of the most important functions of the Department of Finance is the management of our national debt. The management of that debt has much to do with interest rates prevalent in our country. If we have good management we have a buoyant economy and there is confidence abroad. If our management is not good we have a static economy and there is a lack of confidence such as exists in Canada today.

High interest rates tend to depress our economy and they certainly stagnate business, thereby causing unemployment. Nobody will deny that interest rates in Canada are too high for the home builder. They are too high for the farmer. They are too high for industry and the small businessman, and they are certainly too high for our provinces and municipalities. I think lately the Minister of Finance has found them too high even for the federal government. If debenture interest is too high for municipalities to go ahead with certain projects, such as new schools, new roads and other services, they have to be postponed. After looking at the extra interest bill that we have assumed in Canada I think we should practise economy and not build up high interest charges for future years. In so far as high interest rates prevent the home builder from building, the businessman from expanding and the three levels of government from going ahead with public projects that have been planned, they cause unemployment.

The mismanagement of our debt is causing high interest rates, and this would not be so bad if the effects were only felt in the year or two in which this mismanagement took place. Unfortunately the effects are carried forward as a penalty year after year even up to a quarter of a century or more, depending on the length of the debentures or the maturity date of the debt assumed. Our total debt has gone up by $2.5 billion in two years to nearly $21 billion. I think it is about $3.5 million under the $21 billion mark. At the same time our unmatured debt, made up of unmatured bonds and treasury bills, stood at $14.24 billion as of March 31, 1958 and $15.88 billion as of March 31, 1960. This unmatured debt is up by 11½ per cent. This is disturbing, but not nearly so much as the fact that the interest payments on our unmatured debt have risen from $424 million to $633 million in the same length of time, an increase of 50 per cent. I would say even more disturbing is the fact that we do not seem to be at the end of the increase in interest payments.

In 1958 the interest on our accumulated unmatured debt since confederation stood at

$424 million. In those 91 years since confederation we had built up our country, much of it from a wilderness, and we had participated in two world wars as well as the Korean war. However, in the two years since 1958 our interest bill has gone up by 50 per cent, and in both of those years we have had an increase in our gross national product. This is not the whole story. Amortization, bonuses and commissions are up well over 100 per cent over the amount paid by the previous administration. These amortization costs, bonuses and commissions, amounted to $108 million in 1958-59 and to $59 million last year. These costs are charged through the deferred charges account. They are charged to interest for the current year or the previous year, and some of it is charged to the item under amortization, bonuses and commissions.

The estimates of the Department of Finance according to the blue book bear very little relation to the cost of servicing our public debt. The item dealing with amortization, bonuses and commissions, as I said, was well up over 100 per cent of the minister's predecessor's estimates and up over 50 per cent of his own estimates. The last year when Mr. Harris was minister, 1957-58, he overestimated the interest requirements by $3.8 million. In the first year the present minister took office he underestimated his by $125 million, or out 20 per cent. Last year he was low $116.6 million, so that in the two years he was out over $243 million. Therefore he is out over a quarter of a billion dollars in his estimates in the blue book over two years, when you take into consideration the increase in the amortization item along with his underestimation of interest.

I know the minister will say that these items are statutory and that we do not vote them, but I think it misleads the country and the members of this house and I think the minister should be more accurate. I would say that if Mr. Harris had been half as much out on the favourable side of his total budget as the minister is on interest alone on the debate side of his, the present minister would have spent a whole hour finding fault.

To me this whole business of extra interest, extra amortization, bonuses and commissions is fantastic. The blue book of estimates is a masterpiece of understatement as far as charges on our national debt are concerned. If we take the blue book of estimates for the various years we find that in 1958-59 the extra charges for the servicing of public debt were up $106 million. This year they are up $94 million, which means an aggregate increase for the two years of $300 million. By the completion of the next fiscal year it will aggregate $500 million, and if you allow for a 20 per cent mistake in these estimates you are up to around $600 million. When you add to this the depletion in the unemployment insurance account of $556 million you get some idea of the extra cost which this government is putting on the people of the country.

Besides this the minister has raided the defence equipment account to the amount of $212 million; I think he took everything out of that account and it was closed off. I am not altogether sure about this exchange account, whether the money in that account was taken into consolidated revenue account or not.

The overspending of this government has up until now, according to table 52, amounted to over $1 billion which is the increase in the net deficit. The total increase in debt is $2.5 billion. The minister claims assets of $1.5 billion which leaves a net increase in the debt of something over $1 billion.

These amounts are staggering. By comparison, the first world war cost only $1.6 billion. Canada had 644,000 men under arms. She recruited them, trained them, equipped them, sent most of them overseas and maintained them in the army, navy and air force. Yet with the overspending of this government, including the depletion in the different government accounts and the extra interest up to date in these two years, the government has already greatly exceeded the cost of the first world war and by this time next year will be well on the way to reaching the cost of that war for the second time.

The minister speaking in the house on April 21, 1959, had this to say:

> If we had been elected earlier unquestionably we could have saved this country money by eliminating waste and extravagance.

Mr. Bell (Carleton): Would the hon. member indicate the page reference of that quotation?

Mr. McMillan: Page 2889 of *Hansard*. I do know that the minister found fault with the previous government on the basis of increased staff in the different departments. I have not added up this year the increased staff in his department but I do know that it was up last year. I also know that the cost of administration in his department is up about 15 per cent, if we can go by the blue book. This does not represent the whole of the extra cost that the taxpayers in Canada must accept on account of the fiscal policy of this government. They must all pay extra provincial taxes and extra municipal taxes.

Why has that come about? First of all, I would say it is because of the overspending of this government and they had to go

into the market to borrow the money. The government forced up interest rates and many of our cities and municipalities had to go to New York to borrow money because they could not borrow money in Canada as the minister took practically all of the available money supply. This has been dangerous for the provinces and municipalities because if the market should go down they might have to pay back their loans when the Canadian dollar is at a discount.

Some municipalities were obliged to go into the market and pay high interest rates on their debentures. Others again are still being carried by the banks and are awaiting the time when they might get a lower interest rate or at least a more favourable interest rate than is prevalent at the present time. This government is asking the municipalities to assume more debt under the winter works program to help bail them out of some of their troubles.

The other reason is the conversion loan of 1958. I prophesied at the time that the conversion loan would cost every municipality and province more money through interest rates and the minister said we were preaching doom and gloom. Talking about the conversion loan, I said in September, 1958:

> Certainly the provinces, counties and municipalities will all pay more for the money they borrow for the provision of roads, schools and other services.

Then in April, 1959 I said:

> Every sidewalk, every school, new hospital, sewer or road will cost more because of that conversion loan.

The minister on September 4, 1958 had this to say:

> The Canadian conversion loan has stabilized the Canadian market. As to the provinces and municipalities, in their borrowing operations they will derive the full benefit from these constructive results of the Canadian conversion loan.

No one will deny that they have derived the full effects of that loan but I would not call it a benefit. A little later on the minister had this to say in reflection as reported on page 4601 of *Hansard* for April 5, 1959:

> Succeeding ministers of finance whether they be Liberal or whether they be Conservative will have reason to be thankful in the days ahead that the government in 1958 had the vision and the courage and the realism to undertake this, the greatest financial operation in Canada's history.

In connection with that conversion loan, the idea was to convert $6.4 billion worth of victory bonds because, as the minister said, in the eight years immediately ahead there were too many bonds overhanging the market. I have looked this up and I find there were about $10 billion overhanging the market, but at the present time there is still over $9 billion worth of bonds due in the next eight years and we cannot but wonder if conditions are getting ready for a bigger and better conversion loan. The idea was to convert $6.4 billion of the loans into two short term and two long term bonds. We know that next year over $1 billion worth of these bonds are up again to be dealt with. The conversion loan was very expensive and costs us $67 million a year. So many bonds hit the market at that time that the market has had indigestion ever since.

No one can make out the fiscal policy of this government. Ever since the time of the conversion loan this government has been trying to escape from the effects of that loan and has been a prisoner of its own mistake ever since. People who bought these bonds, if they had to have cash and particularly if they bought the long term 25-year 4½ per cent bond were obliged to sell them at a discount. Even the government controlled unemployment insurance fund bought many of these bonds. That fund only has one third of what it once had, in spite of the fact that the government increased the contributions of employers and employees by about 30 per cent. The trouble with our finance department is that it acts in a dual capacity. It is in control of our monetary system and it is also in control of our national debt.

In debt management the unemployment insurance fund was induced to turn in its short term Victory bonds for long term sinkers. They are not the type of bonds that many corporations would buy. The people with money, some of these big corporations, stick around and get bigger and bigger plums time after time from this government in buying short term bonds. Ever since the conversion loan the minister has been obliged for the most part to finance through treasury bills or through bonds of one and two years duration, and the trouble is these bonds are always coming due and he is having to deal with that part of the debt over and over again. Our bonds were and are among the lowest bonds of all the countries of the western free world.

A year ago there was a clamour in the press and they were asking the minister to return to some sanity in finance. It is true the minister announced that this year there would be a surplus on this year's operations, and as people realized that the government would not need so much money for current account there was some easing in interest rates. In the fiscal year 1958-59 the minister dealt with over $9 billion worth of bonds and last year he dealt with about $2.5 billion worth of bonds, either sold or converted,

and when you consider there are over $2 billion worth of treasury bills you can see that last year the hon. gentleman dealt with practically the volume of our whole unmatured debt. Certainly he did so in two years. The point is that there is too large a churning up of our debt all the time, and it costs money to do that.

In order to sell the short term bonds the minister had to make them very desirable taxwise. There is a case in point. Last September three bonds were advertised, one at 5½ per cent, due October 1, 1962 to yield 6.33 per cent; another at 5½ per cent due in October 1960, to yield 6.55 per cent. These were convertible at maturity to longer term bonds. But there was one 3 per cent bond which sold at 94.65 to mature in 19 months. There was $125 million worth of those bonds sold and they were advertised to yield 6.61 per cent. If a corporation paying 54 per cent income tax bought one of these bonds they would have over 5 per cent net after income tax and the same corporation if it bought that same bond at par would need to get 10 per cent from the minister, to do as well.

In this one issue of 3 per cent bonds, the $125 million worth that was sold, there were $5.93 million interest subject to income tax and there was an appreciation of $6.68 million not subject to income tax. That seems quite a large amount for such a short term bond. The investors have waited around to get better and better plums from this government and it has paid them to do so. I think it is wrong to be always giving these gimmicks to the short term bond buyers. I think the minister should give consideration to spreading out the debt more. He should give some consideration to the long term bond holders. For example, he could exempt for income tax purposes the income from long term bonds in part limiting the amount to each individual or corporation. This would produce two effects. First of all it would get rid of having to deal with so much debt all the time and it would give a better spread to our debt.

I notice that the long term bonds which the minister does sell and which have been sold to yield up to 5.75 per cent are not callable. I think the minister is tying his own hands and the hands of future ministers of finance who could call them in during a lower interest period. That happened in Mr. Bennett's time. He called in some bonds that were of higher rates and issued new ones at lower interest. The former government had this callable feature in the 3 per cent victory bonds. I do not see why the minister does not have this feature in bonds that bear interest of almost twice the rate.

During the debate on the university grants the minister referred to the fact that this government had given the provinces and municipalities $190 million more than they would have received under the former government. All I can say is that any money they got from the consolidated revenue account here was borrowed and we the people in the provinces will have to pay high interest rates on that money. In addition to that, $190 million would not begin to cover the extra interest the provinces and municipalities would be obliged to pay because of the fiscal policies of this government causing high interest rates, so actually the government gave them nothing.

We have seen much ineptness on the part of the minister in the way he has been handling our national debt. There have been articles in the London *Economist* and other foreign papers about the trouble in which Canada finds herself. I was much interested in the article from New York to which the minister referred. It contained some reference to the fact that we in Canada were trying to keep our dollar strong.

I think it would be a good thing if our dollar did go a little below par, say to 95 cents. I believe it would assist our exporters. It would be like a 5 per cent duty across the board. I also think it would help put some people to work. There are many unemployed people in my district and I know of some firms that could get going if our dollar was at a discount.

The minister has been trying to cut down expenditures in other departments. The budget of the Department of National Defence has been cut down $87 million, the Department of Public Works $30 million, the Department of Northern Affairs and National Resources $10.6 million—the northern vision does not seem to be as bright as it was—the Department of Veterans Affairs $2 million, national harbours $1.6 million and the Department of Transport $17 million. If the fiscal policy followed by the government had been the right one there would be no need for these reductions. In my opinion, cutting down in these departments will cause more unemployment. If our interest rate and charges were not so high the minister would not have to cut down in those departments.

In an article in the *Financial Post* of July 30, page 4, reference is made to conditions in our country. A comparison of industrial stock market prices is made as of the month of March in the years 1958, 1959 and 1960. I know that stock market prices do not altogether indicate exact conditions in the country but they are a barometer. The article

contains a table showing the value of industrials in various countries as follows: market prices in Australia up 45 per cent from March 1958; Austria up 153 per cent; Germany up 179 per cent; Japan up 90 per cent; United Kingdom up 90 per cent; the United States up 32 per cent and Canada up only 9 per cent.

The Deputy Chairman: I am sorry to interrupt the hon. member but I am obliged to advise him that his time has expired.

Mr. McMillan: I shall require only a couple of minutes to complete my remarks, Mr. Chairman.

Mr. Fleming (Eglinton): Mr. Chairman, may I suggest that the committee give unanimous consent?

The Deputy Chairman: Does the committee unanimously consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Martin (Essex East): The Minister of Finance is very generous today.

Mr. McMillan: I wish to thank the committee, Mr. Chairman. I said that market prices of Canadian industrials were up only 9 per cent from 1958, but from March, 1959 they were down 10 per cent as compared with 2 per cent in the United States. All the other countries which I mentioned were up.

I have read various articles in the foreign press on Canadian financial policy. I read many of them when I was in Boston this year. Some of them were mystified by the actions of our Department of Finance, just as mystified as we on this side of the committee are.

Two years ago I predicted these high interest rates. I am afraid that if the minister carries on as he has been there will be a flight from the Canadian dollar. In fact, there are some people moving their money to New York at the present time. I am sorry to see that. I do not know how much the Canadian taxpayer can take but certainly if the next two years are anything like the last two we will not only see our bonds depreciated but we will also see our currency depreciated.

Mr. Winch: Mr. Chairman, this is probably one of the most important votes that comes before us. At the same time it is probably one of the most complex to explain or understand. The question of financing is important and difficult on any level whether individual, family or government, as I am sure all hon. members will agree. Financing is always a difficult problem especially if you try to balance income with outgo. I do not pretend to be an expert on finance on a governmental level even though it was my responsibility for some 12 years to be financial critic of the provincial budget in the legislature of British Columbia.

We could spend hours and days on this vote attempting to analyse the correctness or otherwise of government policy in relation to a balanced budget, a deficit budget, the question of conversion loans, the Bank of Canada, interest rates and many other aspects of finance. It is not my intention this afternoon to go into the complexities of these matters in any way whatsoever. I do not think they can be resolved at this time in this session.

The government has to accept responsibility for the financial policy; it has to face the criticism of the opposition. I still do not feel that I am in a position to discuss this matter, nor do I feel that anything of advantage would be gained by doing so at this time. All I want to do is to raise a matter which I think is of absolute paramount importance and ask the Minister of Finance whether he will comment on it. At the time of confederation, brilliant as they were, the fathers of confederation could not possibly foresee the development of the economy of Canada; they could not foresee the growth of Canada or the complex situations that would arise between the various levels of government in this country. Brilliant as they were, they could not foresee the responsibilities of the different levels of government in the establishment of what I might term the welfare state.

In recent years the complexities of government have reached a point where in our estimation, giving all honour to the fathers of confederation, the time has long passed when a good look should be taken at the responsibilities of all levels of government and their ability to accept them. Year after year we have seen the increasing complexity of the responsibilities of governments and their inability to meet them. We find that year after year the municipalities, the children of provincial governments, are screaming to high heaven and to the provincial governments for greater financial assistance. We hear the provincial governments year after year screaming to high heaven to the federal government for greater assistance to enable them to meet their financial responsibilities. To whom does the federal government scream for assistance? Of course, the federal government has only one answer. It is either no or a compromise with the provinces by utilizing its powers to make the taxpayers scream over an additional tax burden. In short, that is the situation. Surely under those circumstances we have now reached the time when an exhaustive analysis

and survey have to be made of the responsibilities of the various levels of government and their ability to meet them. As I said, Mr. Chairman, today's conditions could not have been envisaged at the time of confederation. We now have to face the realities of the situation. I say the time is long past when we can continue to ignore the changes that have taken place in the responsibilities of government and their ability to meet them. I am not recommending the appointment of a royal commission. I feel sometimes, and I have felt over the past few years, that we have reached the point of having royal commissionitis. We can go too far, but I do believe that the greatest contribution that can be made today by the federal government is to recognize the need for a review of the responsibilities of the three levels of government, their ability to pay, and work out something different from what we have at the present time under which the federal government assumes certain responsibilities in co-operation with the provinces. The provinces, according to their thinking, then pass some of the responsibilities onto the municipalities.

As I say, I do not believe in a royal commission or a three-day dominion-provincial conference, but in a longer study, whether it takes days, weeks or months, by experts of the departments of finance of the dominion, provinces and municipalities. They should call in all the experts they require to try to work out what I think is the greatest need today, namely a new look at the responsibilities of governments and their ability to meet them. I emphasize this because there are too many—and perhaps many of us are guilty of this—who think that they can make demands on government and get what they ask for for nothing. There is not one service that can be given by any level of government in Canada that can be received for nothing. There is nothing whatsoever that can be obtained for nothing from a government. It has to come eventually from the taxpayer's pocket, individually, collectively or co-operatively, and the ability to collect is based on the productivity of our nation through the work of our people or the natural resources of our country.

We know that the municipalities are up against a tough time at present. They can appeal to only one body, namely the provincial government. The provinces can appeal only to the federal government. The federal government has only one answer, namely no or new taxes. The sooner that we at all levels of government face up to that situation and the sooner the people learn that what they want they have to pay for the better it will be for our country. From my experience in a provincial legislature and seven years in the House of Commons I do honestly believe that we have to sit down, giving all honour, as I said, to the fathers of confederation, and face up to the situation. At the same time let us recognize that now, almost 100 years later, having in mind economic development, technological advances, the new responsibilities of government and the interrelationship between the municipalities, the provinces and the federal government, a new look is required.

I am not going to go into all the complexities of the matters I mentioned when I first rose which could be discussed for hours and days, but I should like to ask the Minister of Finance whether he does not agree that the time has now arrived for this kind of study, review and new look at the responsibilities of governments in Canada and their ability to meet these responsibilities and to meet the new and ever increasing demands by the people of the country. That is an issue that we have ignored and have not faced up to in the past, and it is time that we did.

I am not going to say anything more except to refer to an entirely different matter. It does not come under the estimates of the minister's department but is found in the legislation estimates which have already been passed. Although we have not yet passed all the estimates for this year, I know that for the past month government officials have been working on the budget for next year. I wish to make a plea to the Minister of Finance that he give very sympathetic consideration in the estimates now being prepared for next year to the plea of the Speaker of the House of Commons for an increase in the commonwealth association grant in order to enable greater co-operation and understanding and a greater intermingling of commonwealth peoples. I am convinced that is the finest investment that could ever be made and that the extension of understanding within that group will perhaps make it the greatest instrument for peace.

Mr. Bourque: Mr. Chairman, as it is my intention to limit myself to municipal financing because of the precarious condition that Canadian municipalities find themselves in at the present time, I should like to make an appeal to the minister to see if a more equitable distribution can be arrived at so that the municipalities can carry on the work they are meant to carry on. First of all, I should like to ask the minister this question. Is there an arrangement between the federal and provincial governments to share the expense of hospitalization or maintenance in

the case of immigrants or refugees coming into Canada? If I am not going to get a reply now, I will go on.

I am in total sympathy with the bringing in of refugees on compassionate grounds and also other immigrants but they should not be left to seek help from the provinces and municipalities; especially from the municipalities with their very limited powers of taxation. In other words, their welfare should remain the responsibility of the federal government.

As mayor of a municipality it has been my experience that after one year and one day immigrants who are unfortunate enough to become ill or indigent become the responsibility of the province and the municipality in which they reside. The cost of our social service division in Outremont has increased by approximately 300 per cent in the last three or four years.

The selection of these refugees and immigrants, whether on compassionate grounds or otherwise, is the responsibility of the federal government and the responsibility in the case of indigency or hospitalization should rest with the federal government until they are entitled to attain full citizenship. These neo-Canadians should not be left to the mercy of the municipalities which have not the means or the facilities to give them the help they need. They should remain the responsibility of the federal government for the first five years of their residence in Canada.

Canadian municipalities are experiencing unprecedented difficulties in their financing at the present time. The unwarranted high rate of interest on debenture loans is discouraging municipalities from undertaking capital expenditures and major works programs due to the high cost of providing the necessary moneys by bonds or debentures. Many pressing municipal works projects have had to be postponed and many essential ones that could not be delayed are reduced to the necessary minimum.

I come now to the question of tax exempt municipal bonds. Should the federal government exempt the interest on municipal bonds from income tax? This is the United States practice. I believe that as an alternative to such an exemption the government should establish an intergovernmental loan corporation or a national loan fund. The responsibility for the provision of appropriate funds at low interest rates should rest with the federal government. This corporation would be authorized to purchase the securities of municipal governments at a rate of interest which would reflect the cost of borrowing to the federal government plus a carrying charge, including in the computation of the charge probable losses through defaults. The corporation should not be restricted to the financing of self-liquidating projects and should be authorized to buy the securities of any community whose economic capacity reflects the ability to pay for the loan over a fairly long period of time. This solution would provide assistance to municipalities, particularly the poorer ones, which are plagued by high interest costs.

If such a loan corporation or loan fund were established it would enable an attack on municipal problems on a much broader basis than that involved in the low cost borrowing made possible by tax exemption and would make unnecessary such a tax exemption even in a modified form. May I say that such a fund has been specifically requested by the Canadian federation of mayors and municipalities and is also supported universally across the country by the municipal governments. I should like to read a short extract on capital borrowing from the national municipal program issued by the Canadian federation of mayors and municipalities.

> Because of the nature of their undertakings, municipal governments must necessarily finance most capital projects by loan financing. This requires that they have access to capital funds at a cost commensurate with the social purposes of municipal undertakings and within the reasonable capacity of a community to afford. If municipal governments are to keep pace with their growth requirements, renew obsolescent community facilities, and maintain their capital plant at a satisfactory standard of efficiency, they must be able to finance the cost of such improvements at the lowest rate possible.

Joint participation by the federal, provincial and municipal governments in the capital expenses of building waterworks, sewers, road building, paving, etc., would go a long way in placing the municipalities of Canada on a sounder financial basis and enable them to undertake many improvements that they could not otherwise go on with.

May I say here that the municipalities of Canada have a serious and justified complaint concerning throughways. They realize that local streets are a municipal responsibility but the principal cross-city thoroughfares of today's cities are no longer merely local streets. They are an integral part of a vast interconnected system of regional, provincial and national highways, and the cost of constructing these throughways should be apportioned and shared by all levels of government.

Within a short span of years the population of Canada has shifted considerably. In 1901 our rural population was 62.5 per cent of our total population and the urban population was 37.5 per cent. In 1951 the rural population had dropped from 62.5 per cent to 43.3 per

cent, while the urban population had increased from 37.5 per cent to 56.7 per cent of our total population. Forecasts have been made to the effect that in 1980 some 80 per cent of our total population will be living in urban areas. As a result of the shift in rural and urban populations the demand for increased municipal services and local improvements is growing at a rapid pace. Changing conditions give rise to newly expanded governmental activities. This, in turn, necessitates close governmental collaboration if the municipalities are to retain a reasonable standard of services for the local activities which cannot be financed from local taxes or other local revenue sources.

Municipal governments today need to have direct communication with the federal arm of government on a wide variety of matters. Urgent and involved questions are consistently arising which affect federal-municipal affairs, especially in matters of taxation and revenue. I should like to read a short extract from the booklet entitled "Canadian Public Administration" by Mr. George S. Mooney, executive director of the Canadian federation of mayors and municipalities:

> Municipal governments are entitled to sufficient revenue to finance the activities required of them by custom or law. The revenues they need will be determined by the responsibilities they assume. Municipalities should not be expected to assume any additional or delegated responsibility beyond the just capacity of their taxpayers to afford, unless supplementary funds to cover the costs are forthcoming from the source originating the responsibility (i.e. federal or provincial governments). Expanded municipal services are possible only to the extent that expanding revenue resources become available.

A little farther on, the article states:

> Because of the nature of their undertakings, municipal governments must necessarily finance most capital projects by loan financing. This requires that they have access to investment funds at a cost commensurate with the social purposes of municipal undertakings and within the reasonable capacity of a community to afford. If municipal governments are to keep pace with growth requirements, renew obsolescent community facilities, and maintain their capital plants at a satisfactory standard of efficiency, they must be able to finance the cost of such improvements at the lowest rate possible.
>
> Under the present conditions of the money market the facilitating aid of the provincial and federal governments is necessary if municipal governments, particularly the smaller municipalities, are to be put in a position to continue a reasonable program of needed capital improvements.

The amount of the funded debt of most municipalities is already high and increasing rapidly. Many are near the dangerous limit of 20 per cent of the taxable property valuation. Municipalities in this percentage bracket find it extremely difficult to borrow money, no matter what their needs may be. The heavy funded debt with which most municipalities are burdened, without having reached the 20 per cent mark, also prevents them from undertaking the borrowing of the money necessary for the carrying on of projected works programs and capital expenditures. Sewers, water works, roadways and necessary improvements are in many cases at a standstill due to lack of funds. The high rates of interest prevailing is another factor that prevents municipalities from borrowing to carry on the improvement programs they badly need.

The municipal taxpayers cannot bear heavier municipal taxes than they are now paying. Hundreds of municipalities have practically reached the bankruptcy stage. The impossibility of municipalities, because of the reasons mentioned previously, to carry on necessary works programs is contributing greatly to the unemployment situation existing today. A 5¾ per cent interest rate, which municipalities are for the most part called upon to pay, is the cause of great unrest, uneasiness and worry to municipal administrations whose problems are growing more and more complex every day. The range and scope of municipal administration is increasing steadily.

There has been a phenomenal increase in the demands of citizens for additional and better services and municipal corporations, because they are at a lower level than the senior government bodies, exercise but a small influence in the elaborate control structure in comparison to the federal and provincial governments. I should like to read from "Canadian Public Administration", which contains an article entitled "Democracy and Local Government" by Mr. Hugh Whalen, associate professor of political science, University of New Brunswick. I quote:

> The local taxing authorities are caught between two millstones. The upper one consists of the top limit of the burden of taxation which it is feasible to impose upon the taxpayers, and still leave them intact financially and leave their representatives intact politically. The position of the nether stone is progressively raised as the amount of the total municipal expenditure . . . increases. Thus, the play between the two is continuously reduced and the capacity of the taxing authority, the council, to provide the services demanded by the public is narrowed. Caught as they are in this squeeze, councils are driven to continuous appeals to the provinces for financial assistance or additional sources of revenue. But there is likely to be a reluctance to make available to municipalities any really productive sources of revenue, for most provinces are themselves sufficiently desperate for additional funds that they would hesitate to release them to a subsidiary level of government.

Municipal administrations are finding it more and more difficult to balance their budgets. Their powers of imposing taxation

are greatly limited and unless the higher governments, such as the federal and provincial governments, grant them relief from many of the responsibilities they now bear the situation is bound to become intolerable. In order to help municipalities to undertake any needed works programs in which it would be necessary to borrow to meet the capital cost, senior governments should lend money to municipalities at a lower rate of interest than that at which they themselves borrow.

I should like to quote some figures which I have taken from the Canadian tax foundation, November 1959 issue, on local finance. The total taxation in Canada was raised in the following proportions in the year 1933 as compared with 1958:

	1933		1958	
	Percentage	Dollars	Percentage	Dollars
Federal	39.4	278 million	61.8	4,652 million
Provincial	18.9	133 million	21.3	1,605 million
Municipal	41.7	294 million	16.9	1,275 million

It will be seen that federal and municipal governments collected practically the same percentage of the total taxation in 1933, federal 39.4 per cent and municipal 41.7 per cent. By 1958 the federal share had increased from 39.4 per cent or $278 million to 61.8 per cent or $4,652 million of the total taxation and the municipal share had decreased from 41.7 per cent to 16.9 per cent. Is it any wonder that the municipalities have now almost reached the bankruptcy stage? Is it any wonder that the municipalities are clamouring for a more equitable distribution and a fairer share of the total taxation in Canada?

Unlike the flexible, varied and multiple sources of revenue available to federal and provincial governments, the revenue sources available to municipal governments are both rigid and limited. As a consequence muncipal governments have been operating within a financial strait-jacket wherein there is room neither to adequately meet the backlog of unmet accumulated need for local public works, nor to meet in any degree commensurate with the need the pressing requirements which accelerated urban growth and expansion are forcing upon them.

Most of our municipalities were conceived and designed in an earlier period. To meet present needs it is necessary to widen and provide more costly streets, provide off-street parking, expressways, underpasses and overpasses and other costly traffic and transit improvements. Most water and sewer systems, sewage and refuse disposal facilities, street lighting, civic buildings and other services are obsolete and need to be renewed. Slum clearance on a large scale is now a necessity and provision of minimum standard housing for low income families must receive immediate attention.

There has been a relatively high and sustained volume of municipal capital borrowing during recent year. Most of this borrowing has gone to meet the costs of deferred public works which piled up during the depression and war years. In 1939 the total outstanding debt of all municipalities in Canada was $1,225,400,000 and in 1958 had reached $3,384,700,000. Muncipalities meet with considerable difficulty when they have to borrow. Small municipalities find it extremely difficult to market their debentures and some have found no market at all for their bonds.

The fixed burden which municipalities have had to assume has increased greatly in recent years. Many municipal taxpayers are experiencing hardship in meeting their local tax obligations and could not stand an increase no matter how small it might be. Yet the city fathers are faced with a difficult situation. They must either raise the local tax rates or cease immediately all work on municipal projects. The municipal governments are genuinely concerned about their financial situation—their available resources are stretched to the limit.

Certain it is that the revenues presently available are inadequate. The needs of most municipalities have reached a critical stage. Many municipalities have reached the point where further capital expenditures cannot be financed. The borrowing of money must be made easier for the municipalities. They cannot continue to undertake the construction and building of necessary local and capital improvements unless money is made available at a lesser rate than the present one. The municipalities can no longer bear the heavy burden under which they are operating.

With respect to the federal government, many phases of federal legislation impinge upon or directly affect municipal governments. There are frequent occasions when the particular problems of municipalities involve federal action and require federal-municipal collaboration. On such matters as health, welfare, indigency and hospitalization the position of municipal governments should be made clear with respect to federal and provincial legislation. Problems which limit and hamper the effectiveness of local government administration and thereby weaken the whole structure of our democratic system of government should receive special consideration from our senior governments.

It is my hope that municipal government in Canada can be lifted to the really important place it deserves, both in fact and in public

estimation. I believe that a joint conference of the governments at all levels should be held and the municipalities should be invited to discuss the present problems confronting them. The Prime Minister and his colleague, the Minister of Finance, might take advantage of the meeting with the premiers of the provinces of Canada in October to prepare the way for a future conference with representatives of the municipalities of Canada.

Before closing I should like to refer to an article in the *Financial Post* of August 6, 1960. That article says that there has been a 40.7 per cent drop in government, provincial, municipal and corporation public bond financing in Canada for July, 1960. The total financing in July, 1959 was $150,757,500 and this total dropped in July, 1960 to $89,324,225. The municipal financing last month amounted to $12,298,225; 20 issues from Quebec and the maritimes, 11 issues from Ontario and six issues in western Canada. This, compared with the amount of $24.6 in July, 1959, represents a drop of practically 50 per cent.

Mr. Fleming (Eglinton): Mr. Chairman, I shall as briefly as possible deal with the points which have been raised by the three hon. members who have discussed the first item of my estimates. In doing so I think in justice to them I should endeavour to deal with all of the points they have raised.

Perhaps I might begin with the observations of the hon. member for Welland. In the first place, he said that there was a lack of confidence today, as I understood him, in government credit. I think he is quite mistaken and that the figures will demonstrate the extent of his error.

If he will have regard to the tables which I placed on *Hansard* in the budget speech, which tables appear at page 2678 of *Hansard*, he will see that between 1958 and 1959 the public's holdings of dominion of Canada obligations increased by $2 billion. At the same time the public's holdings of obligations of provinces and municipalities and business in Canada increased by another $1 billion, and since 1959 the total holdings of Canada obligations by the general public have increased further. There, Mr. Chairman, is the proof, I think the best and final proof, of the confidence of the public in the credit of this country.

Mr. McMillan: Would the minister answer a question?

Mr. Fleming (Eglinton): I think it would be better if I completed my remarks and then I would be glad to deal with individual questions at the conclusion. I think that might economize time and contribute to a more orderly discussion.

The next point raised by the hon. member for Welland concerned interest rates. He said that interest rates had been high and he evidently holds the government responsible for that fact. It is true that interest rates have risen. Interest rates rose to high levels in 1959; they have receded somewhat since. This is not the first time that interest rates have risen, but I ask the hon. member if Canada is to be insulated from trends which have been occurring in many comparable countries of the world.

The fact is that interest rates were rising at the very same time in the United States and other countries in Europe which are comparable with Canada. The government does not make the interest rates. Interest rates are determined by the operation of the law of supply and demand and the rate is determined as the result of tens of thousands of individual transactions. What governments can do, and what this government endeavours to do, is to have regard to the operation of the law of supply and demand with a view to carrying out its necessary financing operations to the best advantage. We do not like high interest rates and we do not pay one cent more in interest rates than we can avoid, and that is the proved fact.

Hon. members, to be fair, must be prepared to admit, there has been a substantial easing of interest rates within the past year or nearly a year. Now as to the part played by the federal government in relation to its own demands upon the available supply of finance, I simply remind the committee of the important and beneficial steps which the government has taken with a view to reducing its own borrowing needs. Two years ago our borrowing for budgetary and extra-budgetary requirements—that is borrowing of new money—amounted to $1,300 million. Last year it amounted to $900 million. In the present fiscal year I estimated in the course of the budget speech on March 31 that our requirements of new cash for all these purposes would be approximately $210 million. The result of this fiscal policy of the government has been to assist the provinces and the municipalities in meeting their financial problems. There has been a notable easing of the demand upon the financial markets, and benefits have been reaped in consequence by the provinces, the municipalities and business.

Next the hon. member had something to say about debt management. In the field of debt management I think the record of this government has been extremely strong. The hon. member sought to link what he said with the conversion loan. This government is very proud indeed of the benefits which were brought about by the conversion loan of 1958 and the success which attended that action.

One of the first elements one looks at in relation to sound debt management is, of course, the period, the average period of the outstanding debt. If hon. members will have regard to the table on page 2678 of this year's *Hansard* they will see again what was the effect of the conversion loan of 1958 on the average term of debt. In 1957, as this table shows, the average term of the entire federal debt was six years. By 1958, as a result of the conversion loan, that average term had been increased to 10.3 years. That movement was not paralleled in some other countries, whose view of this operation was not a little envious. There are comparable countries in the world which would have given a good deal to have been able to increase the average term of their outstanding debt as we did.

The hon. member for Welland, when he speaks about this matter of the conversion loan, points out that in the autumn of 1958 interest rates rose. Yes, but not only in Canada. What happened here was simply a parallel of what happened in the United States. The course of interest rates in the United States always has a very strong influence on the course of interest rates in Canada. What happened in respect to interest rates in Canada? In the late autumn of 1958 the movement was simply parallel to what happened in the United States. That rise was not in any sense attributable to the conversion loan. On the contrary, the conversion loan stabilized the market and left the Canadian market in a much better condition to withstand those influences which in the autumn of 1958 and extending into 1959 weakened the bond market in the United States with consequent effect on ours.

As a result of the rise in interest rates there have been drops in the value of outstanding bonds. That is inevitable whenever interest rates rise. That follows as the day the night—the market value of outstanding bonds drops, and that happened beginning in the fall of 1958 and extending into 1959. The trend in recent months has been the reverse. With the drop in interest rates the tendency has been for market values of bonds to rise. But there is no need to think that this is the only time this has ever happened, or that there is not going to be a comeback in the strength of these outstanding securities. These things have happened before, and markets have come back in Canada.

I reminded the house on April 28, 1959 of what had happened in some earlier periods where rising interest rates led to declines in market values of government issues. I pointed out at page 3112 of *Hansard* what had happened in some other cases. I took the period between March, 1955 and June, 1957 and I pointed out what had happened with respect to various outstanding issues of Canada bonds. For instance, without repeating all the details here is one that showed a drop of 4.45; another dropped 11.8 points; another had a drop of 14.1 points; another had a drop of 14.75 points. One issue dropped from a value of 99½ to 84¾; another dropped from 102.1 to 87¼; another dropped from 108½ to 94½, a drop of 14 points; another fell from 102.1 to 86.8, a drop of 15¼; another from 96.6 to 79.75, a drop of nearly 17 points.

These very serious drops occurred between 1955 and 1957. There was a recovery after that, and I am confident that in time there will be a recovery of the market value of outstanding bonds. But no one can say precisely when that will occur. These are fluctuations that occur and always have occurred, and it will remain for those who hold these bonds to hold them until their maturity and collect their value in full.

The next question raised by the hon. member for Welland concerned outstanding debt. I found it very difficult to follow his figures. He apparently was dealing with total debt when he talked about the increase in debt. He did not use the more relevant figures of net debt or of funded debt, and I think his figures are not at all the kind of figures that will influence the committee in reaching conclusions. The figures in this respect are again to be found in the tables which I placed on record in *Hansard* of this year at page 2678. They are to be found in tables 3, 4 and 5 on that page.

The hon. member had something to say about the blue book, and he talked about errors in estimating the cost of financing the national debt. This matter has been discussed with the hon. member, but if I may say so without offence, he has still not grasped the way in which this estimate is made up. This matter has been dealt with on other occasions, but he goes back to this question of estimates. The situation is not at all complicated.

When the blue book is prepared it is the autumn of the year, the early autumn. What was done with respect to the 1960-61 estimates was precisely what was done with the estimates of the previous year, the year before that and the years before that again. There has been no change in that respect. The amount included in the 1960-61 estimates for interest on unmatured debt is an estimate that was prepared last autumn. It indicates the total interest payment likely to be made during the present fiscal year computed on the basis of the interest rates then

prevailing, that is, prevailing in the autumn of the year when the estimate was prepared.

The estimate is deliberately drawn up in such a way as to make no forecast of the movement of interest rates or of the growth or reduction in the marketable public debt during the fiscal year following. If we were ever to do that we would be giving a signal to the market in advance of the government's debt operations during the fiscal year and we would be indicating what we consider is likely to be the trend in interest rates as well as the extent of likely government operations in the financial markets.

In either case I think the committee will realize what an improper course that would be and why, for that reason, it is the proper course that we should make our calculation in the autumn of the year on the interest rates prevailing at that time and thus avoid giving any signal to the market.

In the case of treasury bills, interest rates are computed on the basis of treasury bill discount rates prevailing at the time the estimate is compiled. For Canada savings bonds the estimated interest charges are adjusted to reflect the amounts of savings bonds which on the basis of previous years' experience are likely to be redeemed during the course of the ensuing fiscal year.

In other words, the figure included in this estimate now before the committee is a calculation of the actual payments to be made during the fiscal year 1960-61 based on the information available at the time the estimate was prepared in the autumn of 1959 and without making any assumption as to the future movement of interest charges or the size of the marketable debt. In that respect we are not following any new course. We are simply following the course that has been followed by the Department of Finance for years. It is the proper course and the course which I would defend under any circumstances. When the hon. member speaks as he does today and brings forward figures he is comparing things that do not admit of being compared together.

The hon. gentleman brought up the old subject of the defence equipment account. That goes back two years. The house approved the course then proposed in the budget. This defence equipment account was set up in the year 1950 and my predecessors between 1950 and 1957 had drawn on that equipment account from time to time. They charged to it rather than to budgetary expenditures the cost of replacing certain equipment. As a result of that past practice on their part the amount in the account had been reduced from $310 million to approximately $165 million. At the time of the government's budget two years ago we believed and stated then to the house that it was in the interest of good accounting practice and the maintenance of proper parliamentary control of expenditures that that account should be liquidated at that time and the house approved that procedure. It was open and aboveboard and the house gave its approval in clear terms to that proposal. I think the basis of accounting to the house for government expenditure since has been improved in consequence.

The next matter mentioned by the hon. member was, as he said, the cost to the provinces and municipalities as a result of the government's policies. The fact is, that every province and municipality today is deriving benefit from the federal government's fiscal policy as approved by the house when it adopted this year's budget. I do not need to delay the committee in pointing to the other measures that this government has taken at a very substantial cost to its own budgetary position to bring assistance to the provinces and municipalities.

The amounts paid out by way of the increase from 10 to 13 per cent in the share made available to the provinces from the yield of the personal income tax will bring to the provinces in a period of three years up to March 31, 1961 an estimated $195 million to $200 million. In addition to that we have provided $25 million a year by way of Atlantic provinces adjustment grants, this being the third year of those payments. In addition to that we have increased by tremendous amounts, on which I gave the house a full accounting in the budget speech on March 31, the federal contributions to shared cost programs for the assistance of the provinces and their institutions.

The next point made by the hon. member was an extraordinary statement. He said that the Department of Finance is in control of our monetary system. I have to inform the hon. member that the Department of Finance is not in control of our monetary system. The government is not in control of the monetary system and for very good reason. Parliament has legislated on that subject and placed control of the money of this country in the Bank of Canada. I gave the house a full statement on that subject when I spoke on April 27 and 28, 1959.

In speaking next about our bond offerings the hon. member undertook to say that our bond offerings had been of very short maturity and he said that our bonds were selling lower than those of almost any country in the free world. What are the facts? I will come to the treasury bills later, but let us look at interest rates on bonds.

I have here a comparison of interest rates from other countries. I will not delay the

committee in this respect but on comparable issues as between Canada and the United Kingdom for example, the rates on mid-term bonds, Canadian 2¾ per cent bonds maturing in 1967 and 1968—comparing those with United Kingdom 3 per cent bonds due 1965 to 1975—the yield today in the market on the Canadian bonds as at the end of July is 4.57 per cent and the yield on the United Kingdom bonds is 5.98 per cent, yet the hon. member says that our bonds are selling lower than almost any country in the free world.

The price of these bonds runs in relation to the interest rates payable. It may be seen here—I could give other figures—that we are in a position in this country to do business in the financial market on terms which are not available to the United Kingdom government in the United Kingdom market when you see how much lower the effective yield on these Canadian bonds is as compared with that prevailing in the United Kingdom on United Kingdom bonds.

Let us look at the treasury bill rates. A year ago we were being screamed at because the treasury bill rate was around 6 per cent. At the time of the last offering of treasury bills, August 4, the rate on the three months treasury bills was 2.83 per cent, a rate that is I am sure the envy of many countries in the world.

Mr. Martin (Essex East): You interfered with the bids at one point.

Mr. Fleming (Eglinton): Yes, with very beneficial effects.

Mr. Martin (Essex East): Yet you say you have no control over monetary policy.

Mr. Fleming (Eglinton): I pointed out that the government can only operate with due regard for the law of supply and demand and on that occasion we reduced the demand with beneficial effects just as budget policy has been shaped, as I indicated earlier, with a view to reducing demands on the financial markets, and the results have been very beneficial in terms of increased confidence and a decline in interest rates.

I turn now to comparisons with the treasury bill rates in other countries. The comparable rate in the United States at the end of July was 2.4 per cent. The country with the greatest reservoir of capital in all the world was paying 2.4 per cent, and Canada is paying just 2.83 per cent on the last offering for similar treasury bills. The United Kingdom, in its offering of treasury bills of three months duration, at the end of July was paying 5.55 per cent; Canada's rate is 2.83 per cent.

[Mr. Fleming (Eglinton).]

One could go on with other evidence to answer the statement made by the hon. member for Welland. He undertook to say also that we were concentrating too much in our financing on issues of short term bonds. Let us look at the issues that have been put out just in the last fiscal year, whether of Dominion of Canada bonds or C.N.R. bonds bearing Canadian government guarantee. On May 15 last the C.N.R. sold an issue of $60 million of nine year term and $90 million of 18 year term bonds. On July 1, as the hon. member has indicated, we offered some short term issues. On October 1, we offered some short term issues with the convertible feature. I might point out, that of the $135 million of the bonds that were exchangeable out of that October 1, 1959 issue, exchangeable prior to June 30 of this year, into 16-year bonds, a total of $121 million was exchanged for the bonds maturing in 1975. On December 15, there was a further C.N.R. issue of $200 million five year maturity and $100 million 25-year maturity; on February 15, a federal issue of $100 million of two-year seven and a half months bonds; and $200 million of bonds maturing in three years one and a half months; on April 1, we issued $249 million of bonds maturing in three years; and $80 million of bonds maturing in nine years; on June 1, of this year, $140 million maturing in two and a half years. Therefore, the evidence, I must say, answers the hon. gentleman. We have been selling bonds in a very good range of maturities so as to be able to obtain the benefit of the various sections of the market.

The hon. member had something to say about the discount on the Canadian dollar. I have made known on a number of occasions my own personal satisfaction that the discount on the Canadian dollar has shown a substantial drop. I repeat that in relation to what I said earlier in disposing of that baseless assertion that emanated from New York that we had sought to support the Canadian dollar, we did no such thing and today—

Mr. Martin (Essex East): Who is "we", the government or the Bank of Canada?

Mr. Fleming (Eglinton): In relation to the operation of the exchange fund, as I pointed out earlier today and have on other occasions, the Bank of Canada operates as the agent of the Minister of Finance.

Mr. Martin (Essex East): That is right. The government has no responsibility for monetary policy, my friend says.

Mr. Fleming (Eglinton): That is not monetary policy.

Mr. Martin (Essex East): I know; I do not need a lesson from my friend.

Mr. Fleming (Eglinton): Does my friend not appreciate the difference between monetary policy and money supply on the one hand and fiscal policy on the other, including exchange rates?

We were asked to accept the view of the hon. member that there had been some shortcoming on the part of the government because bonds have been issued at discount. We have issued bonds at discount in the three years we have been in office, but this is not the first time that bonds have been issued at a discount, whether short term or long term bonds. These are nothing new. These are issued in relation to conditions prevailing at the time. I dealt fully with this, when I spoke in the house on April 28, 1959. There I pointed out that my predecessors had done the same thing, issued bonds at discount. Here are various series of long term bonds put out at discount prices by our predecessors. I pointed this out, giving full particulars of them. Here are discount prices of 97, 97 and so on, so that the hon. member should refresh his memory on an earlier period in relation to the prices.

Then as to short term issues I gave the details of issues by our predecessors at discount. Here are some of the figures. They are to be found at page 3120 of *Hansard* of that date: 97¾, 97.15, 98, 97.85, and so on. One could go on; there is nothing unusual about this. These are simply in keeping with the practice that has prevailed on the part of our predecessors.

The hon. member concluded his remarks by saying that he expects a flight from the Canadian dollar; that he expects we shall see a depreciation of our bonds and we shall see a depreciation of our currency.

Mr. McMillan: No, I did not say that. I said that if we did not get a change in policy we would.

Mr. Fleming (Eglinton): The policies which have brought about the benefits which I have reviewed now, particularly in relation to this year's budget, are the very policies which will prevent any flight from the Canadian dollar and will prevent a depreciation of currency or of the value of Dominion of Canada obligations. There is no flight from the Canadian dollar, believe me, Mr. Chairman. As a matter of fact there are evidences that more capital has been coming into the country even lately. There have been some movements in the exchange of late. This does not indicate any loss of confidence in the Canadian dollar. On the contrary, such movements as have existed in relation to capital indicate that there is as much confidence as ever throughout other countries of the world in the strength of the Canadian dollar and in the way in which we handle our finances in this country. In saying that I repeat that I do not wish to see a premium on the Canadian dollar such as we have had in times past. That has been the result of a heavy inflow of capital into this country because of the confidence that is reposed in this country and in its financial policy on the part of investors abroad.

The Deputy Chairman: I am sorry to advise the minister that his time has expired.

Mr. McIlraith: Go ahead.

The Deputy Chairman: Will the committee give unanimous consent to the minister to continue?

Some hon. Members: Agreed.

Mr. Fleming (Eglinton): I think I had completed my treatment of the subjects raised by the hon. member for Welland. I owe it to the hon. member for Vancouver East and to the hon. member for Outremont-St. Jean to say something concerning the points they raised.

First, may I say of the speech of the hon. member for Vancouver East that I think it was a constructive approach to an admitted problem. In what he had to say, in calling for a survey of the responsibilities of the various levels of government and of the capacity of various levels of government to meet their responsibilities, I do not see how anyone could take issue with him. That is what we are engaged in doing at the present time and were doing in the course of the dominion-provincial conference and in the preparation that led up to it. That is why the continuing committee of officials which was first set up some years ago when Mr. St. Laurent was prime minister, I believe at the suggestion of Premier Frost, at a dominion-provincial conference, and the work of that committee have been so timely and so useful. I pointed out earlier that this is the first occasion, this recent meeting of the dominion-provincial conference on July 25, 26 and 27, that the work of preparation for a conference at the plenary level had been carried out jointly by those who represent the federal and provincial levels of government. Previously there had been preparation at the federal level and the provinces, on the other hand, had made their preparations, but this is the first time that preparations have been carried out jointly.

Mr. Martin (Essex East): Mr. Frost ridiculed and criticized the idea of a study group.

Mr. Fleming (Eglinton): Not at all. Mr. Frost has not done anything of the kind. That committee was first set up on the motion of Premier Frost.

Mr. Martin (Essex East): But he has ridiculed the way it has developed.

Mr. Fleming (Eglinton): No, he has not done anything of the kind. On the contrary, the officials appointed to that committee by Premier Frost and representing the Ontario government have taken an active part in the committee and played a very useful role in its deliberations.

As to the other point raised by the hon. member for Vancouver East, I may say that when he speaks favourably of the commonwealth parliamentary association and the role it plays he is, so far as I am concerned, speaking to receptive ears. Over the years I think no one has been more active than I in the commonwealth parliamentary association, certainly in the 12 years I was a private member of the house, and I think it is an institution that has a most remarkable record of constructive achievement. I think the hon. member will perhaps accept my assurance that I have good reason to wish to see the work of the commonwealth parliamentary association carried forward and flourish.

As to the remarks of the hon. member for Outremont-St. Jean, I point out that he dealt with two subjects. The first had to do with the responsibilities of the respective levels of government in this country with regard to refugees. That is not a matter on which I think I should comment. It is a subject which engaged the attention of the committee of supply, I believe, on the estimates of my colleague, the Minister of Citizenship and Immigration, and also when the estimates of my colleague, the Secretary of State for External Affairs, were under consideration.

I pass to his second subject which concerns the financial problems of the municipalities of this country. I do not think I need to parade my sympathy with the municipalities. I devoted seven years of service to the municipal level of government in this country, and since undertaking my present responsibilities I think I have shown my concern for the problems of the municipalities, not least of all this year when we have taken strong measures with a view to assisting the provinces and municipalities to meet their financial problems.

As to his proposal for the establishment of a national loan fund or a national loan bank for the benefit of municipalities, let me simply remind him that this is not a new idea. It was raised before the present government came into office. To my knowledge it was raised in the house and was commented upon by at least one of my predecessors in the former government. I think I recall two of them dealing with this subject. They pointed out, as I recall, that issuing loans through such an institution would mean that the federal institution would be dealing presumably directly with something like 5,000 municipalities in this country, all of them with varying credit standing, and that this would create inescapable problems for any such federal institution, particularly as the greatest need on the part of municipalities would probably be on the part of those whose credit was weakest. I recall their pointing out as well, that this would necessarily mean, if low interest rates were to be provided, a direct federal subsidy.

As to exemption from income tax in respect of interest payable on municipal bonds, again I say this is not a new subject but was raised in the days of my predecessors and rejected by them on the ground that it would be discriminatory. I recall their taking issue with the idea of issuing obligations at any level of government, federal or otherwise, where the interest would be exempt from income tax. Attention was drawn to the danger that in that event there could be accumulation of large amounts of these bonds in the hands of persons who were in a position to accumulate them and in that way would derive very substantial benefits in respect of income tax. I simply draw the hon. member's attention to what has been said by my predecessors in this regard.

Mr. Bourque: The minister said that the matter was dealt with by two previous ministers but at that time there was not very much discrepancy between the share of taxes that the different governments were getting. As I have said before, in 1933 the federal government got 39.4 per cent of total taxation and the municipal governments got 41.7 per cent, or more than the federal government. In 1958 the federal government got 61.8 per cent and the municipalities only got 16.9 per cent. So the condition has changed very materially. I can understand why the idea might have been turned down at that time but now that conditions have changed the picture is entirely different and I think the federal government should look into the matter very carefully.

Mr. McIlraith: Mr. Chairman, I wish to address myself to one point in the minister's remarks having to do with his reply to the hon. member for Welland concerning interest on the unmatured debt. The hon. member for Welland pointed out the very sharp discrepancy between the estimates of the interest charges on the unmatured debt since the present minister assumed the responsibilities of his office and the amount actually indicated by the budgetary papers. Notwithstanding the minister's rather strong language in giving his opinion of the competence of the hon. member for Welland, the minister

did not dispose of the point satisfactorily. He explained how the estimates were made up, which is quite clear, but the fact remains that under his predecessor in office the estimate under this item showed a figure remarkably close to the actual expenditure. Under the present minister's regime there is a very sharp discrepancy. It was correctly pointed out that in the year 1958-59 the discrepancy was $126 million and in 1959-60, $116 million whereas in the last year under the former minister of finance it was only $3 million.

The minister took issue with the amounts and there may be a variation in these figures but in any event it is not a substantial one and the point still remains. My point is that in estimating the deficit or surplus in the budget the minister's figures are not to be relied on because of this item that is not disclosed in the main and supplementary estimates. The minister still leaves outstanding the question of the reliance one can place on the minister's estimates and the budget prognostications. For instance, the item in the estimates for this year is actually $38 million less than the actual expenditure last year although the minister has just indicated that there will be new additional financing in a small amount. I have forgotten the figure, but there was a small amount in interest charges and there is nothing to indicate that interest charges will be less than they were last year.

Mr. Fleming (Eglinton): Mr. Chairman, there is no discrepancy at all. I pointed out how these estimates are made and the factors that enter into them. There are two factors involved. One is the amount of the outstanding debt and the other is the interest rate. I have given the reasons why in preparing the blue book of estimates we would be remiss in our duty if we attempted to prognosticate the precise size of the debt on which interest must be paid or the rate of interest which we think is likely to prevail broadly over the 12-month period of the fiscal year.

What has accounted for the difference between the actual costs as determined at the end of the year by way of interest and the amount in the blue book which was prepared in the fall preceding the beginning of the fiscal year is simply the fluctuation in interest rates. In some years there will be a greater fluctuation than in others. It happened that in the year that the hon. member for Welland chose, a year incidentally when Mr. Harris was in office for about three months and I was in office for nine months, there was more stability in interest rates than there was in the two succeeding years. In 1957-58 we had seen a rise in interest rates in the spring of that year which went into the summer, and then in August, 1957 interest rates began to decline and they declined until June of 1958. In the fall of 1958, as I pointed out, there was this serious rise in interest rates in New York which resulted in a parallel movement in this country. It was for this reason we had, by comparison, a wider departure between the figures of actual cost and the estimate in 1958-59 than we had in respect of the fiscal year 1957-58.

During any period when interest rates are stable it will be much easier to set forth in the blue book a figure that will compare closely with the actual cost as determined at the end of the fiscal year. During a time when interest rates are fluctuating there will be differences as between the cost and the estimate. I point out that this estimate for the fiscal year 1959-60 was prepared in the autumn of 1958 for a period that ran until March 31, 1960 and in the kind of world interest market that has existed in this period I do not think anyone could pretend to estimate exactly the interest cost on the debt over a 12-month period.

Mr. McIlraith: May I ask a question at that point, and perhaps it would clarify the matter.

Mr. Fleming (Eglinton): Perhaps I could go on and deal with the point the hon. member made about the budget. Perhaps that is the point he had in mind. He raised a question as to whether or not this had some bearing on the figures on which the budget was based. My answer is, not at all. When we are making our estimates for budget purposes we are in a position to make them, usually about March, and we have the advantage of making them six months later than for the purpose of estimates. We are not obliged to disclose these to the public in the way that we do with the estimates. The factors which as I mentioned earlier would make it very improper to give publicly a precise estimate, and the reasons I mentioned do not pertain with respect to the budget. When we make our detailed calculations, therefore, at budget time with respect to what we consider our financial requirements are going to be, we are in a better position to make a very precise calculation. This point that has been raised by the hon. member for Welland, and supported by the hon. member for Ottawa West, has no bearing whatever on the budget figures.

Mr. McIlraith: Perhaps I could just clarify the latter part of the minister's remarks. Assuming the figures we have been using in this connection are correct, that is the interest on the unmatured debt was some $38 million less than the actual expenditure in

the last fiscal year, do I understand the minister to say that there would be knowledge of those figures at the time the minister made his estimate in his budget for a surplus or a deficit, and that that fact would be considered at the time he made up his estimates; is that a correct summary?

Mr. Fleming (Eglinton): I am not quite clear so far as this figure of $38 million is concerned. We show in this year's estimates, on page 23 and again on page 187, a comparison of the interest cost or the interest on the public debt for the fiscal year 1960-61 with our estimate for 1959-60, and of course these estimates were made in the autumn. The estimate for 1959-60 was $651 million and the estimate for 1960-61 is $739 million. On page 98 of the budget papers we showed the details of the annual interest charges amounting to $632 million, and showed the total annual interest charges on unmatured debt, including treasury bills as of March 31, 1960. Apparently the hon. member is comparing the figure of $632 million shown in the budget papers with the figure of $594 million appearing as one of the figures on page 23 of the blue book under the item, interest on public debt.

Mr. McIlraith: That is right.

Mr. Fleming (Eglinton): I think I have clarified that point. The annual interest charges as detailed on page 98 represent the figures of interest charges worked out on the unmatured debt at March 31, 1960. Now you can have interest calculated in two different ways, and it depends on the time of year when you do it. You can wait until the end of the year and make a precise calculation. If you are making the calculation before that you have to introduce figures of estimate. I think I dealt with this subject in the discussion at the end of the session of 1958, and certainly in the session of 1959, when I outlined the ways in which this matter of interest could be calculated. We have given here the figures and the information and indicated as plainly as we could how those figures are arrived at. I have pointed out that in seeking to make the comparisons the hon. member for Welland sought to make this afternoon he was not comparing comparable figures. He was comparing different things.

Mr. Pearson: Mr. Chairman, I think it must be a little disappointing to the minister that his estimates, which deal with matters of such importance, have come up in the diminishing hours of the session. Perhaps he would be even a little disappointed if I did not say a word about them.

I do not intend to speak for very long and I certainly do not intend to attempt to cover even a large fraction of the minister's activities, because as we know—and I say this with great respect to him—he is the man of all works in this government.

The minister indicated to us a few moments ago that the fiscal and monetary policies of the government are above reproach, indeed almost above criticism. Perhaps he will not be surprised if we do not take exactly the same view of them. He said also that not the government but the Bank of Canada is responsible for monetary policy. Of course that is written into the Bank Act and in a technical sense is undoubtedly true. But the Bank of Canada can only operate in discharging its responsibility for monetary policy within the fiscal policies laid down by the government. If there is any difference between the bank and the government on such fundamental matters then it has been made clear that the governor of the bank should resign or, less likely, that the government should resign.

While the legal and technical position is quite clear, the over-all responsibility and the importance of the government with regard to monetary policy is equally quite clear. The minister will recall that the Radcliffe report in the United Kingdom outlined the situation pretty clearly recently, and I believe that in essence it is the same situation here. The minister has admitted this afternoon that the government intervened not long ago in the offering of treasury bills. Perhaps, as the minister said, it was a beneficial intervention, but it was an intervention by the government which certainly affected monetary policy.

Therefore, the government undoubtedly has in the broad political sense an important measure of responsibility for monetary policy as well as the full responsibility for fiscal and economic policy. If that were not the case then the Bank of Canada would have powers beyond that which could be admitted in any democratic and parliamentary state.

I should like to mention two other subjects. I will do so as briefly as I can and I know the minister will reply as briefly as he can. The minister has budgeted for an increase in the gross national product of 6 per cent without regard to any change in the price level. I would like to ask him on the basis of the situation that he faces at the moment and of the record so far achieved whether he still thinks that that is a reasonable prognostication. Certainly there are experts in this field not influenced by any political consideration who take a less optimistic view than the minister may take of that figure being reached. Does he therefore still think it is realistic to think in terms of a $12 million surplus and a $200 million over-all deficit? That surplus is perhaps not as realistic as it was 24 hours ago. One might be pardoned for

thinking that the $12 million surplus has gone with the acreage payments.

It remains perfectly clear that we have had four consecutive deficits, huge over-all deficits and an increase in our debt. If we cannot reverse that trend—and the minister stated in his budget that we were going to reverse that trend, I admit that this did create a feeling of confidence which has been helpful to the economy, if we cannot get a surplus at this time of what the government calls prosperity and expansion, what is going to happen to us if we move into a period of what I might call, in order to be relieved of the accusation of attempting to undermine the economy, a period of less expansion, of cause, of hesitation, or if you like of recession? When we ask questions like this, and it is our duty to ask them and they are being asked outside the house, I hope we will not be accused of trying to sell the country short or of bringing about a depression or any such nonsense as that.

The other matter I wish to mention is that of the recent provincial conference. I would have thought in view of the fact that this conference was the culmination of about three years' preparation the minister might have had something to say about it and its results. Certainly it is clear, clear at least to us on this side, that the leadership and the initiative in this conference came from the provinces. I am talking now about the conference of two weeks ago.

The minister said a few moments ago, and I hope I took his words down correctly, that every province and every municipality benefits from the government's fiscal policy. If that is the case it must have been disappointing and discouraging for the minister to have found so inadequate a recognition of those benefits in provincial and municipal quarters, and I am sure that this feeling was reflected, to some extent at least, in this conference which has just concluded.

After three years of preparation the government has, so far as I know, made no single formal or positive statement about the principles that should now govern fiscal relations between the federal government and the provinces. If any such clarification of principle or statement of principle was made at the recent conference, perhaps the minister would tell us about it.

It was in November, 1957 that the first conference was held following the promises made by the government during an election campaign, glowing promises of what would be done to help the provinces and the municipalities. Indeed there were promises also as to what would be done to help the municipalities directly, and we have put some of those on the record.

It will be recalled that the Prime Minister decided at that conference that instead of general fiscal questions being considered the conference would deal with three specific matters, and that was done. Then after that was all completed the minister announced the setting up of the committee of ministers, provincial and federal, and of a study group, or seminar, whatever you wish to call it, of officials. This has been referred to this afternoon and the minister thought it had done very good work indeed.

Perhaps that is true, though as my hon. friend for Essex East has pointed out the premier of Ontario does not seem to share in the valuation which has been put by the minister on all this basic preparatory work done by his officials. In his press conference of July 26 when he was in Ottawa Mr. Frost, when asked about the further work to be done with regard to these matters, tax-sharing formulas, et cetera, is quoted as saying that he did not feel there was any use in temporizing and fooling around with formulas any more.

If there was so much valuable work done in the preparatory field, if cabinet ministers met, as they did, in Ottawa in July and I think in October 1959, and if this joint committee functioned so effectively over so many months, and the minister said it was the first joint committee of this kind to be set up and function in this way, which perhaps does not create precisely the correct impression because the minister will agree that in the preparatory work leading up to other conferences there were committees of federal officials and provincial officials and they did work together. But if such good work was done by the committee, and if the meetings of the ministers were so effective, it is surprising to say the least that so little came out of this conference. If that is true surely the responsibility for this has to be borne by the federal government which adopted, and these are the words used previously, a passive and negative attitude throughout this conference.

The initiative that did come to this conference came from the provincial leaders. Perhaps I could mention in this connection the premier of Quebec. So we surely have the right after this conference has been held to ask the minister if he cannot give us some report on it and some indication of what the government's policy is going to be in this field. That after three years of consideration we have had so little initiative from the federal government in this vital

matter is surely a reflection on the way in which this whole matter has been tackled.

I know the minister himself made a statement at the conference, a statement which did not seem to me to get the kind of enthusiastic response which the minister indicated this afternoon that the assistance given to the provinces by the federal government should have elicited. As a matter of fact, when the minister made his statement—before he made it—the premier of Saskatchewan called attention to the fact that it was unusual in terms of procedure for the minister to speak in open session. The minister will remember what I am talking about, but perhaps I had better quote what was said by the premier of Saskatchewan:

> I have no wish to labour the matter, but merely point out that up until 1957 all the records of the dominion-provincial conferences show that after the last of the premiers has made a statement we have gone into camera. It was only in 1957 that a summary was made by the Minister of Finance, and that is the first itme it was done.

The view taken by Mr. Douglas was supported by the premier of Ontario, because Mr. Frost said:

> I think Mr. Douglas is right on that point. In 1957 that element was introduced and it was a matter of controversy. It is very unfortunate to have conferences disturbed by controversy, but that is what happened at that time.

Anyway the minister made his statement and he presented his calculation of the bill which would have to be paid by the federal government if all the requests of the provinces were met. That calculation was at once challenged, and the details of its composition have not yet been made clear. I ask the minister to say something about this matter, because nothing could be much more important than fiscal relationships between the federal government and the provincial governments. I feel that both in this house and outside we have the right to hear of them if any constructive proposals were put forward. Very little has been said up to now, and the opportunity now arises for the minister to enlighten us in this matter.

Mr. Fleming (Eglinton): The minister appreciates the opportunity to offer as best he can enlightenment such as the Leader of the Opposition invites him to impart. The Leader of the Opposition has dealt with three subjects and I will comment briefly on each in turn.

He challenged my statement that the field of monetary policy belongs to the Bank of Canada and he made an assertion that the Bank of Canada can only operate within the limits of government fiscal policy. I must challenge that statement completely. We as a government respect the statute law enacted by this parliament. Parliament has given monetary policy into the keeping of the Bank of Canada. The federal government has no control over money supply or matters of that kind. The example stated by the Leader of the Opposition is completely irrelevant. He pointed to what he said was an intervention on my part last summer in not accepting all of the bids for one week's offering for Canadian bills.

Mr. Martin (Essex East): The first time it has been done in Canadian history.

Mr. Fleming (Eglinton): It was high time, then.

Mr. Martin (Essex East): Yet you say you have nothing to do with monetary policy.

Mr. Fleming (Eglinton): That had nothing to do with monetary policy. These were treasury bill offerings each week on terms which entitled the government to accept or reject any bid either in whole or in part, and we exercised that right on that occasion because we were borrowing the money. It was not a matter of monetary policy but of the government's own fiscal practice, and it was the government's own decision in a matter entirely within the field of government action or responsibility. I wish to make it very clear that at no time have I, since I became Minister of Finance, attempted to interfere in any way whatever with the responsibilities and jurisdiction given by this parliament to the Bank of Canada in respect of monetary policy.

The second point raised by the Leader of the Opposition concerns the outlook for the gross national product and my budget forecast which I submitted to the house on March 31. It is, I believe, a sound and correct principle that no intermediate or interim report is given to the House of Commons by the Minister of Finance during the course of the year with respect to the estimate given when he introduced his budget. Several years ago I happened to be in the House of Commons at Westminster when just such a question was asked as has been put to me by the Leader of the Opposition, and the then chancellor of the exchequer, Mr. Butler, formally took the position that it would be highly improper, once the budget had been disposed of, to undertake to make comments during the course of the year on how it was working out.

The third subject, and the one on which the Leader of the Opposition dwelt most, was the subject of the recent dominion-provincial conference. I did not attempt to make any report to the house because what occurred at that conference in the public session is well known. All hon. members have available to them a complete record of what was said at the conference, and I know the Leader of the Opposition would not expect me to discuss what

followed in the private session of the conference. These are the reasons why I attempted no report; I considered it would be completely superfluous, because I was sure that hon. members opposite had read the record in its completeness.

With regard to the assertion by the Leader of the Opposition that leadership and initiative came solely from the provinces and that the federal government took a passive and negative attitude, I must point out that there is a fundamental difference in understanding or approach here. It may be that the hon. gentleman is accustomed to conferences in which the federal government comes forward with a firm proposition and says: this is it. That is not the way we have approached this conference. We came to this conference as we did to the conference of 1957 with an invitation to the provinces to discuss with us important common fiscal problems.

The Prime Minister in his opening statement at the conference reviewed the situation and indicated certain lines of government policy. He was very clear in his assertion of the government's position in relation to the equalization principle—the principle of fiscal aid. That was a proposal which was fully supported and indeed a point on which his speech was warmly welcomed by all the provincial premiers. Let it not be said that the federal government took merely a passive attitude. We stated the federal government's approach within the proper elements of principle at this stage of these proceedings and the Prime Minister then very properly called upon the provincial premiers to indicate their views. Fully in accord with the understanding of the governments represented and within all the proprieties of the occasion the Prime Minister indicated that these subjects would be taken under consideration. It was known before the conference met, indeed some time in advance, that it was not the intention of the federal government to submit hard and fast proposals to this conference at all.

This is the first of what may be a number of continuing conferences. There are abundant precedents for dealing with these questions in that way. As a matter of fact, the best precedent and the closest precedent is what happened in 1955. We are dealing now with what are to be the fiscal arrangements between the federal and provincial levels of government after March 31, 1962. The present arrangements in the present quinquennial period were worked out by the conference that began in 1955 and issued eventually in the introduction in this house in the summer of 1956 of what is now known as the Federal-Provincial Tax-Sharing Arrangements Act.

They had a long series of conferences in 1955. The first conference was held on April 26 and 27. That conference discussed largely the agenda. The federal government on that occasion did not come forward with leadership and initiative, to use the expression of the Leader of the Opposition, by saying what should be worked out in the way of concrete proposals. Then on April 28 the officials met. They sat in committee, doing the very thing that is now being derided by some hon. members opposite. They engaged in the preparation of statistical and technical material. Then there was a conference from May 26 to May 30 dealing with a particular problem. I do not dwell on that.

Following that conference another day was spent by the officials in committee, following it up. Then on June 20 and 21 there was a further conference on the problem of unemployment assistance and shared cost programs. Then on July 4 the preparatory subcommittee met in Ottawa. It dealt with health grants and hospital insurance. From July 4 to July 6 the preparatory committee, a committee of officials, again met in Ottawa and dealt with fiscal relations, health and public investment matters.

Then on September 11 and 12 the officials on the preparatory committee met again in Halifax. From October 3 to 6 there was another plenary conference at which a number of problems were discussed. On October 6 there was a further conference of ministers of health. Then on January 23 to 26, 1956 the federal-provincial committee of health ministers met in Ottawa to deal with a particular question. I do not dwell on that because that was of a separate nature. On February 2 and 3, 1956 the technical committee of officials met again. Lastly, on March 9, 1956, there was a plenary conference held in Ottawa.

In addition to that long series of meetings in 1955 and 1956 there were exchanges both by way of correspondence and, I believe, by way of personal discussion. Therefore, Mr. Chairman, you will see that in asking us apparently to come out with some hard and fast proposals before this series of conferences in 1960 ever began, hon. members opposite were not asking us to follow the course which they followed in 1955.

I was asked to deal with the matter of the provincial requests for further assistance. I am glad to give these; I have been waiting for the opportunity to do so. I was quite prepared some days ago to give these figures. These are the figures of the estimate of the additional cost to the federal treasury of the various provincial proposals submitted at the public sessions of the dominion-provincial conference held on July 25 and 26, 1960.

As the Leader of the Opposition has indicated, when I spoke at the conference on July 26, following the statements of the ten provincial premiers I made a rough estimate at that time that to accede to these various requests would involve the federal government in additional obligations of approximately $2 billion per annum. Later when I was asked a question in the house I acknowledged that that was a pretty hasty reckoning. It had to be under the circumstances because I was called upon immediately to follow the premiers. We had an opportunity within the next day or two to make in the department a more careful estimate. I selected for this purpose just six of the items and I will give the estimate that has been placed in the department on each. It would perhaps be more convenient from the point of view of reference if I were to set them out in a table as follows:

Estimate of the additional annual cost to the federal treasury of the provincial proposals at the public sessions of the federal-provincial conference on July 25 and 26, 1960.

1. Tax-sharing arrangements on basis of standard rates of 50-50-50 with equalization to top two provinces as at present, $1,600 million.
2. Prepaid medical plan (excluding dental care and pharmaceutical services which were also requested) if applied to all provinces, $175 million.
3. Inclusion of mental and tuberculosis hospitals and depreciation and amortization of debt as sharable costs under present hospital insurance program and increase of hospital construction grants to one third of construction costs per bed, $100 million.
4. Federal participation in a broadened program of highways which would include construction of provincial arterial highways, resource roads and tourist facilities, $75-$100 million.
5. Interest free loans to municipalities for social capital, $50 million.
6. Exemption of municipalities from federal sales and excise taxes, $30 million.

Total—$2,030 million to $2,055 million.

I have not included in this calculation a number of other requests, some of which would have involved annual or continuing burdens on the federal treasury, others of which would have involved construction of particular works and would not have involved continuing obligations except, of course, for maintenance and matters of that kind.

Mr. Martin (Essex East): What you have not pointed out is the falseness of the premise.

Mr. Fleming (Eglinton): The following are requests which I did not include in the six I have given.

The Deputy Chairman: Order. I am sorry to interrupt the minister but I am just looking at the clock.

Mr. Fleming (Eglinton): Mr. Chairman, would hon. members be willing to agree to continue through the dinner hour?

[Mr. Fleming (Eglinton).]

Mr. Winch: We all want to facilitate matters but I think we should give consideration to the staff. Could there not be an understanding that if we could complete the business tonight we would all exercise self-restraint? I ask the government and the official opposition this question: How about adjourning between six and seven o'clock on the understanding that we will finish our business this evening?

Mr. Fleming (Eglinton): Mr. Chairman, that is entirely satisfactory to us. I wonder if I could take one minute to complete this list and put it on the record and then I will have completed my reply to the Leader of the Opposition and then we could perhaps rise until seven o'clock.

Mr. Pearson: That is agreeable, although I am a little worried about giving a firm undertaking to finish tonight. I myself see no reason why we should not, but that is not quite the same as giving a firm undertaking.

Mr. Martin (Essex East): It depends on the Minister of Finance.

Mr. Pearson: The Minister of Finance has control.

Mr. Winch: I think the government has control, but in all decency and honesty we should reach an understanding now. Unless there is that understanding, if my information is correct, then of necessity we have to agree now to have an interim supply bill. I think it would be wrong to have an interim supply bill dealt with tonight and the whole appropriation bill introduced tomorrow. Could we not have some understanding now?

Mr. Pearson: Surely we can go this far. If we are not finished at eleven o'clock, we shall go on until we are.

Mr. Fleming (Eglinton): I thank the committee for its attitude. May I just finish reading this list and it will complete my remarks: No. 7, construction of Chignecto canal; No. 8, construction of the P.E.I. causeway; No. 9, substantial increase in the Atlantic provinces adjustment grant; No. 10, tax concessions to industry in the Atlantic provinces; No. 11, expanded programs for national and regional development; No. 12, purchase of 25 per cent of all provincial bond issues by federal government for various accounts; No. 13, joint federal-provincial financing of hydroelectric generation and transmission facilities; No. 14, increased aid for technical and university education; No. 15, income support for agriculture.

Mr. Pearson: May I ask one question? Does the minister feel that these demands may eliminate the $12 million surplus?

Mr. Fleming (Eglinton): This may be a good note on which to seek a little dinner.

The Deputy Chairman: I understand the committee will resume at seven o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Shall vote 107 carry?

Item agreed to.

120. Government's contributions to pension plan (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, $100,000.

Mr. McIlraith: There is one matter I wish to raise and I believe this is the correct item on which to raise it. It has to do with the group surgical-medical insurance plan for civil servants and superannuated civil servants.

Mr. Fleming (Eglinton): I think that is item 124.

Item agreed to.

124. Government's share of medical-surgical insurance premiums, determined on such bases and paid in respect of such persons (and their dependents), as the governor in council prescribes, who hold offices or positions or perform services the remuneration for which is payable out of the consolidated revenue fund or by an agent of Her Majesty, or who are contributors as defined in the Public Service Superannuation Act, or who are members of the Canadian forces or the Royal Canadian Mounted Police, $8,250,000.

Mr. McIlraith: Mr. Chairman, the point on which I want some clarification has to do with the group surgical-medical insurance plan and the action of the government in the spring of this year when certain changes were made in that plan. The point with which I am concerned is a rather narrow and specific one. It would appear from information I have been able to obtain that the benefits so far as retired civil servants are concerned have been cut down under the rearranged plan and the premiums payable by such people have been increased.

I would draw the attention of the minister to the answer given to question No. 363 in which is set out in some detail the premium rates charged to civil servants in the various categories and the premium rates charged superannuated civil servants in the various categories and then the comparable benefits. The point with which I am concerned is this. It would appear on the face of it at least as if this change involves superannuated civil servants in having to pay a substantially increased premium while at the same time receiving a more limited benefit. In a concise way, that is the point with which I am concerned.

It will be seen from the answer, for instance, that a single employee pays a premium of $1.35 per month while a superannuated civil servant pays a premium of $3.40 and the benefits of the superannuated civil servant are much narrower than the benefits of the active civil servant. As I understand the matter, formerly under the direct plans the premiums were practically the same. Can the minister explain this matter to the house?

Mr. Fleming (Eglinton): Mr. Chairman, the plan that was worked out was one requested by the national joint council and was the outcome of discussion in that council and negotiations with the council extending over a very long period of time. We have worked out the best deal that we could possibly work out both for civil servants and their dependents and the dependents of the armed forces and dependents of the Royal Canadian Mounted Police on the one hand and former civil servants on the other hand. The plan was put out to tender. We invited tenders from any companies qualified to do this type of business in Canada provided they were in a position to do it on a nation-wide basis.

Superannuated civil servants, of course, do not obtain the benefit of the government contribution in respect of their adherence to the plan. They pay their own premiums. The fact that the benefits accorded to superannuated civil servants are not as wide and valuable in their effect as those accorded to civil servants or the dependents I have mentioned is, as I understand it, simply a matter of age.

This is the sort of consideration that insurers are bound to take into consideration in connection with the benefits they provide for any such group. Naturally the insurance rates on persons of a more advanced age are much higher ordinarily, in this type of insurance, than for persons who are younger or are in the prime of life. As I understand it, that is the entire reason why we have today a difference in benefits as between the civil servants on the one hand and superannuated civil servants on the other.

Mr. McIlraith: There have been a great many letters written on this subject, and I am sure the minister has received some, complaining about the situation. There was one letter published in the Ottawa *Journal* of April 12. I will not read the letter but I should like to point out that there has been an additional charge put on the superannuated civil servants by this change which

amounts, in cases where there are not many dependents, to about $25 per year. It is a fairly complicated matter, but I should like the minister to look at it in a specific way, and go through it rather carefully. If he will take the two forms put out by the government, with which no doubt he is familiar, and the correspondence, I think he will see the nub of the problem. It does appear as though there has been a substantial burden put on superannuated civil servants that was not there formerly. This, of course, works a real hardship on them, as I think the minister would be the first to agree, and that is something that is not desirable. I would ask him to look into this whole matter to see if something could not be done to remedy the situation.

The Chairman: Shall item 124 carry?

Mr. McIlraith: Will the minister say he will look into the matter before this item carries?

Mr. Fleming (Eglinton): This subject has engaged a good deal of my attention and study for quite a long time now. There are bound, in the introduction of new and widely applied plans of this kind, to be problems of dislocation when they are put into effect. These are all being studied. Naturally we would like to see those who are on superannuation enjoy the best possible benefits that can be procured at the premiums they are called upon to pay, and that has been our approach to the whole plan, to obtain the best possible plan at the most reasonable cost which might be available.

Item agreed to.

AUDITOR GENERAL'S OFFICE

39. Salaries and expenses of office, $890,860.

Mr. Macnaughton: During the last 12 months there have been a few rather important changes in the Auditor General's office, and if I may have your permission, Mr. Chairman, I should like to comment very briefly on them. First of all, as we all know, Mr. Watson Sellar who for almost 20 years was the Auditor General, retired during the month of August, 1959. I do not think it is saying too much to say that his reputation for reporting fearlessly any irregular transactions was well known. There is no doubt about it; he has, during that long period of service, been scrupulously fair to those responsible for departmental administration. During his tenure of office tremendous changes took place, not only in the volume of public expenditure but also in the pattern of expenditure. Each of these changes, of course, has added materially to the responsibility of the Auditor General's office.

[Mr. McIlraith.]

The acting auditor general, Mr. Ian Stevenson, from August 5, 1959 to February 29, 1960 had a great deal to do with the preparation of the Auditor General's report. As a matter of fact he signed the 1959 report. Of course, we all know that Mr. Maxwell Henderson was appointed on February 1, 1960 to be Auditor General of Canada. Before this time he was controller and chief financial officer of the Canadian Broadcasting Coroporation. We know that he has had a great deal of experience in private corporation matters which he is bringing to the service of public affairs in Canada. He is a member of the institute of chartered accountants of Nova Scotia, Ontario and Quebec.

I refer to this recent appointment because there have been very material changes in the growth and development of the Auditor General's office and of his responsibilities during the last 10 years. As an example of the increase in work in the Auditor General's office, may I say that in 1950 the total annual government expenditure amounted to approximately $2,449 million. This embraced 29 government departments and 23 crown corporations. Today, in 1960, government expenditures are over $5,737 million, and they embrace 34 government departments and 29 crown corporations. The number of employees in the Auditor General's office in 1950 was 166, whereas in 1959 the size of the establishment had been reduced to 142. The average strength today is approximately 136, and I am told it has been reduced from even that number.

I think it should be noted that in his testimony before the public accounts committee the Auditor General said that if he got some assistance he was prepared to submit detailed reports to the various agencies and departments. As a matter of fact, the Auditor General's report for 1959 contained a great deal more in the way of explanation with respect to these crown corporations for which the Auditor General was responsible. Without detaining the committee any longer I should like to suggest that because of the greatly increased work in the Auditor General's department, and also because of the fact there are considerably fewer employees to do that work in 1960 as compared with even 1950, and because of the fact that the business of this country is getting more and more important and increasing in volume each year, I should like to suggest that we, as members of the house, are entitled to more detailed information on the various aspects of public affairs.

May I refer the committee to paragraphs 77 and 78 of the report of the public accounts committee for 1960. I should just like to

quote those two paragraphs so they will appear in the record. The recommendations contained in paragraph 77 of the public accounts committee report read as follows:

Parliament has placed broad auditing responsibilities on the Auditor General and they involve the largest and most complex business in Canada today—the federal government. To carry out these responsibilities adequately in the interests of parliament and the public requires the highest order of leadership coupled with a competent staff of career accountants and auditors. In the opinion of the committee it is fundamental that this independent auditing office be strong, capable, efficient and equipped to operate in accordance with the high standards of independence and objectivity expected of professional accountants.

Then paragraph 78 contains this recommendation:

Since the Auditor General is responsible only to parliament, the committee recommends that at the next session of parliament, the proposed special committee on the Civil Service Act should give consideration to authorizing the Auditor General, with the approval of the treasury board, to recruit his own staff under a plan of organization necessary for the proper functioning of his office and the establishment of rates of compensation for each class of position, having regard to the rates of compensation and conditions of employment for comparable positions in other branches of the public service and outside the public service.

May I commend that to the Minister of Finance.

Mr. Fleming (Eglinton): Mr. Chairman, I thank the hon. member for Mount Royal for his remarks. I think it fair to observe that as the respected chairman of the public accounts committee he has been in an unsurpassed position to observe the value of the service rendered to this House of Commons by the present Auditor General, and by Mr Stevenson as the deputy auditor general, and also previously by Mr. Watson Sellar.

The retirement of Mr. Watson Sellar closed a career in the public service that has been notable from many points of view. Mr. Sellar brought to this office an independence and a capacity which have distinguished both him and the office, and I am happy that a man of the quality and calibre of Mr. Henderson has accepted the office as Mr. Watson Sellar's successor.

As to the work of the committee this year I say that the report tendered to the house by the committee will be very carefully studied. Some of the matters that the hon. member has mentioned are stressed in that report, and it will be my obligation to give very serious study to those questions.

Item agreed to.

The Chairman: This completes the estimates of the Department of Finance.

PRIVY COUNCIL

308. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

The Chairman: Privy council, items 308 to 316 inclusive. This department will be found on page 60 of the blue book, the details on page 418. Shall the item carry?

Mr. Winch: Mr. Chairman, we are now nearing the end of the estimates for this year, and perhaps it is appropriate that almost the final vote should be left to those of the privy council whose estimates are under the direction of the Prime Minister.

Mr. Chairman, I should like to ask the Prime Minister if he would comment on what to over a million organized workers in Canada is a matter of importance. I refer to the power of the cabinet, headed by the Prime Minister, to disallow within 12 months legislation of a provincial nature if it is not considered to be for the general good of Canada.

There was passed in Newfoundland over a year ago legislation which denied the right of free association and organization in that province by outlawing a certain union, thereby denying the right of free association and organization. This of course has particular interest to the Prime Minister because of his interest in and promotion of a bill of rights which has now been passed by this house.

It is not possible for me now to speak on why there was not a disallowance of provincial legislation which denied the right of trade union association or organization. But a question I would like the Prime Minister to comment upon is this. According to my information the international labour office of which Canada is a member at its most recent meeting in Geneva was most concerned with the legislation passed in Newfoundland and in particular with the fact that the Prime Minister through his power as Prime Minister, and through the executive, the cabinet and the privy council, did not exercise the power of disallowance.

I am given to understand that prior to the 12-month limitation running out within which the government could exercise its power of disallowance the Prime Minister received a communication from the I.L.O. conveying to him the view of the I.L.O. committee on

freedom of association, asking that action be taken on this most important matter.

If my advice is correct, and I have no reason to think it is not, the Prime Minister was informed by this committee of the I.L.O. some two months before the time period for federal disallowance ran out that the legislation was such that if no action was taken by the federal government under its powers of disallowance there was the feeling that the government of Canada would be guilty of a breach of the basic principles of the international organization to which we are syndicated.

I could speak for a long time on this question, but instead I just want to ask the Prime Minister if he will explain why the government, having the power through the British North America Act to disallow such legislation, did not do so. In particular, could the Prime Minister advise us as to what answer he gave the I.L.O., of which we are a member, in reply to the letter they sent to him which said that they felt that if Canada did not disallow it we would be guilty of a breach of a commitment which we had made to the I.L.O. with regard to the freedom of trade union association and organization.

Mr. Diefenbaker: Mr. Chairman, it was only about five minutes ago that the hon. gentleman advised me that he intended to ask this question and I have not before me the files connected with this matter. Neither have I the letter from the I.L.O. nor the reply thereto and the correspondence in general.

In so far as the exercise of the power of disallowance is concerned, I think a reading of Canada's constitutional development indicates that the power of disallowance when it was originally provided in our constitution was believed by the fathers of confederation to constitute a means whereby any legislation passed by the legislatures might be disallowed almost without any limitation, and in the first few years after confederation, and by that I mean almost until 1896, there were a number of exercises of this power.

However, in the present century the number of disallowances has gradually diminished. Indeed the power of disallowance has in general not been exercised for many years when the legislation passed by the legislatures was apparently within the competence of the legislature. The exercise of this extraordinary, sweeping and even arbitrary power has in the passing years been diminished. Whatever one's feelings with respect to legislation passed by provincial legislatures may be, however much one may dislike it, the gradual development has been that the federal government, through the governor general in council, does not exercise that power where there is on the face of it an apparent conformity with the legislative authority of the legislature which passes it.

I recollect very well that I did receive a communication from the international labour office in Geneva and the letter received from that organization was passed on to the government of Newfoundland. Again, I speak from memory and maybe I am not completely correct in my recollection in this regard. My feeling was, and I think it is soundly based on Canadian constitutional development, that the federal government, through the governor in council, ought not to exercise this power against the legislature of any province. The legislatures are elected by the people of the provinces and whatever one's views may be with regard to the legislation, to do otherwise would be to place the federal government in the position of a judge and jury over the legislation passed within the competence of the legislature, something that no longer is considered a proper and reasonable attitude for the federal government to take.

Mr. Winch: I thank the Prime Minister for his statement. But I believe it is for the general good of Canada that perhaps the federal government should move in, on occasion, as they have done in the past. Through you, Mr. Chairman, I ask the Prime Minister whether in view of the passage of the bill of rights he feels that this measure now guarantees to all workers in Canada the right to freedom of organization and association of their own choice.

Mr. Diefenbaker: The passage of the bill of rights cannot, will not and does not in any way interfere with those matters that come within the legislative competence of the legislatures. In so far as the right is concerned to which the hon. gentleman has made reference, where that right is a matter of civil rights in the province—I know the hon. member would agree after all the discussion that took place, with the preamble as it is and the section which was accepted following the deliberations of the committee, that we made it clear that the bill of rights covered no field beyond the legislative competence of parliament. The fact that it was passed will in no way authorize the federal government to interfere directly or indirectly with those things that are within the competence of the legislatures.

Mr. Winch: But surely, the right of freedom of association and organization is a basic right in all Canada. Is that not covered by the bill of rights? The Prime Minister says no?

Mr. Carter: I rise merely to correct one statement made by the hon. member for Vancouver East when he put his earlier question to the Prime Minister. The hon. member for Vancouver East said that the legislation passed by the Newfoundland legislature destroyed the right of free association of a certain union. I should like to ask the hon. member and other members of this committee this: if that legislation destroyed the right of association, how can this very same union, the international woodworkers association, organize a local as they did at Deer Lake in Newfoundland a week or two ago?

Mr. Winch: A week ago.

Mr. Carter: If their right of association was destroyed, how could they organize a local? What the Newfoundland legislation did was not to destroy any right of any worker or group of workers to free association but to take away from the international woodworkers association a monopoly of bargaining rights, and that is something very different.

Item agreed to.

Privy council office—

309. General administration, $503,171.

Mr. Martin (Essex East): I do not know if the Prime Minister is aware of an arrangement made this afternoon when we were discussing the estimates of the Minister of Trade and Commerce. We had raised on the particular estimate dealing with the bureau of statistics a question involving the report of an interdepartmental committee, set up to examine the existing standards of measurement of unemployment in Canada. Several hon. members, including the Leader of the Opposition and myself, took part in this discussion. We had indicated to the Minister of Trade and Commerce, who now enters the committee and who, I think, will confirm what I am saying, that we were reluctant to pass that item in the absence of an assurance that the report of that committee would not be implemented without parliament being given an opportunity of examining its conclusions. The hon. gentleman indicated that he would prefer us to permit the passage of the item at that time.

The Minister of Trade and Commerce was going to endeavour between the period when we were discussing the item and the moment when we would be discussing this item to see if he could not get some assurance that would enable us to feel assured that in the interval between the prorogation of parliament and the summoning of the next session of parliament—if there is to be one—no opportunity would be taken to change the standard of measurement without that change being first discussed in parliament. The situation now is that we are to be afforded an opportunity of considering this matter on this item. That is pursuant to the arrangement made with the Minister of Trade and Commerce who very kindly co-operated in the matter.

Mr. Diefenbaker: Mr. Chairman, the Minister of Trade and Commerce advised me of the intention of the Leader of the Opposition and the hon. member for Essex East to bring up this question. May I say at once that in so far as the report is concerned that report will receive the consideration of the government, something that as yet has not taken place. That can be understood because—I speak subject to correction—I think it was delivered to one or two ministers of the cabinet on August 8. Personally I have not had the time to examine it.

However, I must say that when the hon. gentleman suggests that there should be a hard and fast determination made at this time as to the action the government will take, I am sure that on reflection he would realize that if action is demanded before the next session is called together and if such action is within the competence of the governor in council, then it is obvious that such an agreement on my part would be both unjustified and unjustifiable.

I am at all times anxious and desirous of assuring that nothing shall be done by the governor in council which will in any way transgress the authority of parliament. That is essential in every matter that comes before the governor in council. But I certainly would not give an assurance that in the light of events and with full regard to the authority of the governor in council would mean an abdication by the governor in council of its authority. If, on the other hand, such a report after consideration by the cabinet is found to contain recommendations that require or demand that they should be brought before parliament before a decision is made thereon, that course would be followed.

I would point out the fact that some years ago a change was made in the base year used in the cost of living index. The cabinet at that time decided that instead of continuing to reveal the actual situation as to the rise in the cost of living from its original base which might lead people to believe that the dollar had greatly depreciated a change should be made. A decision was made by the minister within his powers under which 1949

was established as the base year in calculating the cost of living index. I do not remember what the cost of living index was at that time but I think it certainly was around 150. It was immediately put back to 100. A new base year was determined upon and the cost of living index today is shown on the basis of the new foundation year used in the index.

Desirous as I am at all times to accommodate the opposition I could not give such an undertaking. I have already stated that there is a possibility that the next session may not be too far removed. If I were in a position at this moment to say more than that I would do so. I am sure that hon. gentlemen having regard to the world situation and Canada's position will realize that while I have an antipathy for starting the session in the fall rather than in January circumstances may conceivably require that the next session be not delayed until January.

In the meantime, this report of the committee will be studied. If action by the governor in council within its constitutional authority is possible and necessary, I could not agree to binding the government in advance as suggested by the hon. gentleman to fail to exercise its constitutional power by a promise made at the present time. However, if action is to be taken and is determined upon and it is within the authority of the governor in council, then as soon as the house is reconvened the opposition will have every opportunity to show its lack of confidence in the action taken by the constitutional means of an amendment to the speech from the throne.

Mr. Pearson: Mr. Chairman, we are talking now about the report of a committee which is in the hands of the government. That committee was set up during this session after parliamentary discussion and through what I think I can fairly call parliamentary initiative. In that respect the recommendations of this committee, if any, differ from the precedent which the Prime Minister has cited of recommendations which were made to the government in the past concerning the alteration of the base on which the cost of living index should be established. There is a parliamentary connection with this committee.

So far as I know there is no question about the government's power and authority to implement the recommendations of this or any other committee which is reporting to the government. That does not seem to me to be in question at all. The government, of course, can do what it likes. It can accept the recommendations of this committee and implement them, it can accept the recommendations and do nothing about them for the time being until parliament has had a chance to examine them, or it can reject them and do nothing at all.

After all, these are the recommendations of a committee on a matter of importance, of course, a matter of controversy, though a technical matter. What is the best statistical method of measuring unemployment? The government has the power to do anything it likes with this report. The question is, what is the best procedure to follow, what is the best way of measuring unemployment, so that the differences of opinion that have arisen in the past over how this matter can be removed and so that when we discuss unemployment in the house we shall be discussing unemployment and not methods of calculating it. Therefore, Mr. Chairman, I would think that from everybody's point of view it would have been desirable to have had parliamentary agreement on any new kind of procedure if we are to make a change. That is what we were asking for before the change was made.

We are asking that the report of this committee be submitted to the appropriate parliamentary committee so that if possible there can be agreement on a procedure for measuring unemployment, an agreement by which we will all feel ourselves bound, and an agreement which will remove the kind of argument and, if you like, controversy, which we have had now for quite a long time, going back to 1954 and 1955, in respect of this matter. What we have asked for is merely an assurance on the part of the government that before action is taken parliament will have a chance to consider the matter through a parliamentary committee.

The Prime Minister is unable to give us that assurance. He rests on the power of the government to take any action which it feels necessary. We do not challenge that power; we question the propriety of the government that has that authority taking that attitude.

Mr. Winch: I do not know whether I can ask this question on this vote; I hope I can. It has to do with a matter about which I feel very strongly. The members of this group are most interested in the maintenance of peace in the world. At the time of the difficulties between Israel and Egypt the House of Commons was in session and it passed on our emergency force. At the time of the Congo difficulty the House of Commons was sitting and we gave the government the authority to act. I am most concerned about the period when the House of Commons may not be in session. I hope nothing occurs, but

if something does I should like to know under what authority the Prime Minister, the privy council or the governor general in council is able to move in to give Canada's assistance in the maintenance of peace. I know that if parliament were meeting the government would get the authority but, as I say, I am concerned with the time when we are not meeting and a disturbance may occur. What authority has the government to take action in an occurrence such as that?

Mr. Diefenbaker: In the past when an emergency arose which is contemplated by the War Measures Act, then of course the War Measures Act by proclamation would be brought into effect and the powers incident to that act would immediately be vested in the governor in council. In so far as the rapid convening of parliament is concerned, I can only say this. While in the old days it did take some considerable time to bring about the convening of parliament, today it is a matter of days, if not of hours. As soon as the call is sent out a telegram is sent to each member; the radio and television naturally communicate the decision made and it becomes simply a matter of available transportation to provide members with the earliest opportunity of gathering in Ottawa. I am sure that if it became necessary, through international conditions worsening to the extent that would demand the collective conscience of parliament being mobilized, parliament could be convened in a matter of a couple of days.

Mr. Winch: There may be some slight misunderstanding about what I was asking. I agree that the authority lies with parliament but what I wanted to be informed of was, is there any power existing that could be exercised in the event of an emergency such as the Congo, if parliament is not sitting? I want to make sure that Canada has the power to act. We know that parliament has, but in the event that parliament is not sitting, is there any power to utilize our forces in the maintenance of peace?

Mr. Diefenbaker: The other day the hon. member for Essex East—

Mr. Winch: I am speaking only for myself.

Mr. Diefenbaker: I appreciate that. I am just going to give the other side of it. As I recall it, the hon. member for Essex East asked me to give the assurance that in the event it became necessary to send an additional number over and above the number provided for in the decision of parliament, then before the additional number was sent out of Canada parliament should make the decision in this regard. Constitutionally I believe that action could be taken, but I believe that to take such action without having behind it the power of a unified House of Commons would be action which would not be in keeping with the discharge to the fullest extent of Canada's responsibilities.

Mr. Martin (Essex East): Mr. Chairman, I should like to return to the matter discussed by the Leader of the Opposition, a matter which I regard, as the Prime Minister I am sure will appreciate, one of the greatest importance. The Leader of the Opposition has stated the situation in so far as I am concerned, but I should like to reinforce what he had to say. The fact is that in this country for many years unemployment has been measured by three different standards: the one provided for by the dominion bureau of statistics, which is a sampling process; another by the national employment service, which is the record day by day of registered people who are applicants for jobs; and then, in addition, there is a figure made up of the number of people actually in receipt of unemployment insurance benefits. In my judgment, these three sets of figures are not confusing because each of them seeks to do specifically what each sets out to do. Whatever confusion has existed has been created by circumstances altogether apart from these three standards of measurement.

This session, last session and in the autumn session of 1958, there was much discussion about unemployment in our country. When the question was under discussion during the current session of parliament we were told by the Minister of Labour some four and a half months ago at least that the government had set up an interdepartmental committee to look into the standards of measurement with a view to arriving at a new standard or of confirming the existing standards.

After this statement was made by the Minister of Labour an opportunity was taken at an organization meeting of the industrial relations committee to try to give to that committee the power of examining the very matter which had been referred to an interdepartmental committee. A motion was made by the hon. member for Kenora-Rainy River to that end. That motion was designed not to supplement the work of the interdepartment body but to give members of the house an opportunity of paralleling their efforts with those of the interdepartmental committee. The chairman of the standing committee asked the hon. member for Kenora-Rainy River if he would allow the motion to stand until the next meeting. No meeting of that committee has since taken place notwithstanding the fact that the hon. member for Kenora-Rainy River asked the chairman of

the committee on the orders of the day when the committee would be convened so that his motion could be dealt with.

We have asked the Minister of Labour repeatedly during this session whether he had been advised by the members of the interdepartmental committee if they had completed their report. It is interesting to note that the Department of Labour is represented on that committee. When the estimates of the Minister of Labour were under discussion in the house a few days ago the minister told us that as far as he knew the report was not yet ready; in any event, it had not yet come into his hands, but when he was encouraged to take the initiative and inquire whether it was ready he promised to look into the matter.

Since that time the Leader of the Opposition has put two questions on two separate days to the Minister of Labour asking him if the report was yet available so that the house might be given an opportunity to examine its contents and decide whether the recommendations, if they did suggest a change, should be accepted. At no time was the Minister of Labour able to say if the report had been prepared, whether it was ready or whether the government had enough time to give consideration to it.

However, a few days ago, I think on Monday last, the Minister of Labour did say in answer to a question that was put that the report was now ready but that the government had not yet considered it. Again, on a later day a question was put to the Minister of Labour to find out whether the government had yet considered the report. We were told that the government had not yet considered it.

I fully understand the Prime Minister when he says that he has been busy since the report was prepared and has not had an opportunity to examine its contents and consider its recommendations. It is perfectly understandable that he and his colleagues have not had time to do so. However, the house is now about to prorogue and while we may be meeting in the fall, as the Prime Minister has suggested, it is possible we will not be meeting until January. That will mean that an interval of at least five months will take place unless parliament comes back in the fall. During that time we may or may not have heavy unemployment.

This undoubtedly is the most important single domestic issue in Canada at the present time. It is a matter about which there is strong feeling and about which there is great public interest. If we are to have a new standard of measurement devised by the government without having that standard submitted to parliament for consideration it could be that the government by giving effect to the recommendations would be able to create a situation whereby we would not get the kind of picture of unemployment we have been getting and which I feel is essential in the interests of objective discussion of this problem.

The Prime Minister himself has given confirmation of the validity of the national employment service figure because that is the figure which he himself referred to last Saturday afternoon when we were discussing some aspects of a related matter. It may be that this is not a matter that normally would be considered by the executive except in the unusual circumstances of the present situation. I am not trying to suggest that this is not a matter that the cabinet should consider but there are many standards adopted by the bureau of statistics in its assessment of statistical situations in our country that are not considered by the cabinet as a condition precedent to particular methods of assessment being adopted. I say that in the face of the controversy which exists regarding this problem and in the light of the fact we have had these three standards of measurements in this country for over 15 years it would be a serious departure from our traditional practices for the government, now that the report is ready in the dying days of the session, to deny parliament the opportunity of knowing what is in it and then, while parliament is not in session, to adopt a new standard that might not reflect the state of unemployment in Canada not in accordance with those standards that have prevailed since the end of the war and even during the war.

In the face of the fact that parliament has been seized with this matter I would urge the Prime Minister to consider carefully whether it would be in keeping with our parliamentary traditions to permit a change in the standard of measurement to take place without giving the industrial relations committee, which has a motion before it, and without giving parliament the opportunity in the light of current discussions of determining whether the recommendations, if they suggest change, should be adopted.

This is not a parallel situation, as the Leader of the Opposition mentioned, with the changes made a few years ago in the cost of living index. That was not at any time a matter before parliament in the sense that this situation is.

Mr. Diefenbaker: Oh, yes, it was; there was a committee set up.

Mr. Martin (Essex East): This matter was put forward by the Minister of Labour during the course of a debate in the house on unemployment. It is difficult to accept the view that it would take four and a half months for this report to be drawn up. It is difficult to believe that its appearance at this time is not coincidental with the fact that parliament is about to prorogue. I say that if before we come back to this house these standards of measurement have been changed the conclusion will be irresistible that they have been changed because the government was not anxious to have the unemployment picture portrayed in the way that it has been portrayed in our country now for almost two decades.

If there is a recommendation made by this interdepartmental committee that a change should take place, no great disservice to the nation will develop if no action is taken on this report until we come back in January, so that parliament or a committee of parliament, or both, may be given an opportunity of determining whether the recommendations made are in keeping with the demands of the situation in our country. If the situation should develop that we are going to come back in the fall, then certainly no great national inconvenience will arise as a result of a delay of two or three months. No national inconvenience or disservice will arise even if we wait until January.

I ask the Prime Minister to give consideration to these matters so that there can be no doubt about the confidence that the Canadian people will have in the new standards, if there are to be new standards, so that they will have no feeling of a lack of confidence in the merit of whatever changes are made, if there are going to be changes made. I hope that if the suggestion made by the interdepartmental committee is simply for a modification of the dominion bureau of statistics technique, namely to increase the number of individuals covered in the sampling process, I hope the Prime Minister will not regard that as an improvement, particularly in the light of the standards recommended by the international labour office. These are standards which the international labour office believes should apply in countries in which there is an honourable and objective effort made to assess the nature of unemployment.

I make this submission to the Prime Minister, agreeing with what the Leader of the Opposition has said, because I feel that in a matter of this importance nothing should be done that would in any way give any justification for a feeling that the standards used by the administration were not the best available standards to measure this most difficult problem.

Mr. Diefenbaker: Mr. Chairman, this discussion on the part of the hon. gentleman is a most interesting one. He said that we do not want new standards of unemployment at this time without parliamentary acquiescence and discussion. I am sure, however, that what we do want is a true standard of measurement for unemployment, not a new one but a true one. I find it most unusual that the hon. gentleman should become so perturbed over this question. A moment ago he said that I referred in the house a few days ago to the national employment service figures in 1957 for the month of June and said that there were 267,000 unemployed.

Mr. Martin (Essex East): That is right.

Mr. Diefenbaker: He said the true figure was 150,000.

Mr. Martin (Essex East): That is right.

Mr. Diefenbaker: I am glad he has said "That is right". He indicates that he realizes the national employment service figures are far above the actual level of unemployment.

Mr. Martin (Essex East): Not at all.

Mr. Diefenbaker: Now he is afraid of the national employment service figures. When I mentioned them the other day he said they were not reliable. They showed over a quarter of a million unemployed, while the actual number of unemployed was 150,000. He proves, by his own words out of his own mouth, that the figures upon which he relies when he desires them to meet his purposes are exaggerated, the relationship being 267 over 150.

Now no one has any desire, I am sure, to exaggerate the amount of unemployment. But the very fact that the hon. gentleman now is concerned, and having the other day deliberately stated that the national employment service figures were not correct, is now very much frightened—

Mr. Martin (Essex East): Mr. Chairman, the Prime Minister—

Mr. Diefenbaker: —by what I am about to say.

Mr. Martin (Essex East): I never did say that.

Mr. Diefenbaker: All right, I will read what the hon. gentleman said.

Mr. Martin (Essex East): Read what I said.

Mr. Diefenbaker: I will read, if I may, from page 7730 of *Hansard*:

> They had been warned in the month of June of 1957, and if my recollection is correct the number of unemployed at that time was over 200,000.
>
> Mr. Martin (Essex East): One hundred and fifty thousand.

Mr. Martin (Essex East): On the basis of those in need.

Mr. Diefenbaker: He always does this when he finds himself being tied up by his own statistics, when not from his own bureau. He immediately becomes excited. I wanted to prove from the record exactly what was said. I read from page 7733 of *Hansard*:

> Mr. Martin (Essex East): I made a statement as to the unemployed in June, 1957, and the Prime Minister now, in an effort to show that that was a wrong statement is quoting from the N.E.S. figures, which are not the figures on which I am relying, which he realizes. In order to be fair the Prime Minister ought to quote from the—

Then there are some interruptions, and I am reported as having said:

> Mr. Chairman, I know the hon. gentleman's great powers, but he does not yet know what I am going to read, although his powers of perception in this case indicate that he is afraid of the facts. Registration for employment at any N.E.S. offices—
>
> Mr. Martin (Essex East): How about persons without jobs?
>
> Mr. Diefenbaker: —totalled about 267,000. I simply wanted to place on the record—

This indicates very clearly that the national employment service figures, when they do not meet the needs of the hon. gentleman, become unreliable. What we are going to try to achieve, and this was suggested along with others by the Leader of the Opposition, is a full and complete investigation into the matter to the end that Canadians would know the position of unemployment. They asked for one standard measurement of unemployment so that never again would we find ourselves quoting one set of figures on one side of the house and another set of figures on the other side of the house. Having set up the committee, and the committee having reported on August 8, the hon. gentleman becomes greatly aroused—

Mr. Martin (Essex East): Because of the rights of parliament.

Mr. Diefenbaker: —because of his fears. What are those fears? The only fear he could possibly have is that when a true basis is achieved for measuring unemployment he will see that his figures have been grossly exaggerated. I am glad of this opportunity. I would not have been able to refer to the national employment service figures, and the differences between him and me, had he not seen fit to introduce this subject.

While we are dealing with unemployment, may I point out a few things. In so far as unemployment is concerned, much has been made of the degree to which he and his hon. friends would meet this problem and met it. Well, here is the record.

[Mr. Diefenbaker.]

Mr. Martin (Essex East): Let us discuss the issue.

Mr. Diefenbaker: Mr. Chairman, the louder and more contentious the babble, the more certain the fear on the part of those doing battle. The hon. member does not want these figures placed on record. In June, 1936, unemployment amounted to 12.8 per cent; in June, 1937 to 9.1 per cent—

Mr. Martin (Essex East): Mr. Chairman, I rise on a point of order. If we are going to have a general debate on unemployment, then we welcome that discussion right now. What we are discussing now is whether this parliament is going to be given an opportunity before any changes are made, if they are to be made, of discussing the recommendations for those proposed changes. That is the issue. It is not the state of unemployment at the time of the Prime Minister's birth. What we are now discussing is that single question, and I would ask you to direct the Prime Minister's attention to that fact.

Mr. Diefenbaker: Mr. Chairman, I realize this is harrassing to the hon. member's soul, but I want to put the facts on the record because I have heard this repeated over and over again.

The Chairman: Order. I thought the Prime Minister was replying to the point of order raised by the hon. member for Essex East. I must say that by agreement it was arranged that the matter of the report on methods for measuring unemployment would be discussed on this item, but it was only by agreement. I do not think the whole question of unemployment should be discussed here because it would open up a very wide debate, too wide to meet with the agreement under which this matter is now being discussed.

Mr. Diefenbaker: Mr. Chairman, I would have thought that the hon. gentlemen, desiring the true figures, would have welcomed comparisons, but in view of his understandable annoyance over any reference to this question I will immediately desist and come down to June, 1960.

I would like to point out that no one, I am sure, would want to have figures of unemployment that did not represent the true facts. Out of the hon. member's own mouth the other day, from the statement he made I am able to establish how wrong the N.E.S. figures are, but they are the figures which he usually relies upon when endeavouring to show how serious unemployment is.

I will conclude, providing the hon. member wants conclusion, by saying that nothing is more the subject of concern to the government at all times than the degree of unwelcome unemployment. Today we have some

200,000 more people at work than last year. We had in 1957 a total number of persons with jobs of 5,843,000; the number today is 6,154,000, 320,000 more. Those figures, however, do not assist the man who is unemployed and that is the problem that is before us.

When I listen to hon. members opposite talking about how different things were when they were in power it surprises me that when I want to put the facts on the record suddenly the rules become so important. May I simply point out that in Canada, as in the United States, with an expanding industrial economy we find ourselves in the paradoxical position of having a measure of unemployment. When hon. gentleman opposite try to lead the Canadian people to believe that we are in a position different from other nations, may I point out that in the months of June and July the D.B.S. figure for Canada was 4.6 per cent, and the equivalent figure for unemployment in the United States was 5.5 per cent.

Mr. Martin (Essex East): That is not a correct statement.

Mr. Diefenbaker: I prefer statistics which come from the records, not from the mind of the hon. member for Essex East who produces the kind of statistics which he believes at the moment suit his purposes. I have accepted his basis which he laid the other day. Indeed I did not rise to challenge it because I knew that the statement that he made on Saturday when he challenged the figures which I gave would be an answer to him soon or later, and as it has turned out, much sooner than I had expected.

May I simply say this in conclusion. If as a result of the examination of the recommendations of this committee, which incidentally the opposition wished to have set up, we consider that it is necessary they should be carried into effect before the next session of parilament, we shall do so, for the hon. member for Essex East has quite frankly admitted that we have the constitutional right to follow that course, and that constitutional right we shall follow if we so require.

Mr. Pearson: Mr. Chairman, I propose to deal only with what the Prime Minister has said, and I expect to be allowed to do that even though the Prime Minister strayed away from the subject which is before us. The Prime Minister ended up by saying that the government had the constitutional right to do whatever they felt like doing with regard to this report. We do not challenge that, Mr. Chairman. What we challenge is the parliamentary propriety of taking that action at this time.

The Prime Minister had a great deal of amusement out of manipulating the words which the hon. member for Essex East used last Saturday. I took down what the Prime Minister said and I will use those words just as he spoke them with only one change to show how futile his argument was.

The Prime Minister was tied up by his own statistics and condemned out of his own lips. By his very words he proved last Saturday that the N.E.S. figures were the right ones. He used the N.E.S. figures deliberately when the D.B.S. figures did not meet the needs of the right hon. gentleman. All I did there was to change "D.B.S." to "N.E.S.", because they were the figures the Prime Minister himself used. That perhaps indicates how futile his argument was.

So far as the facts with regard to unemployment at the particular month in question are concerned, the Prime Minister said that in June, 1957 the unemployment situation was serious, and the figure of registration for employment which he gave was 267,000. What, then, would he say about current conditions when in June, 1960 there were more than 400,000 registered at N.E.S. offices? That is 50 per cent more than in June 1957.

While we are very interested in this subject, and we would be very glad to have a debate on unemployment, what we are talking about here is the parliamentary propriety of the government at this time of the session keeping from parliament a report which is in their possession. This is a report—and I would like the Prime Minister to deal with this matter—about which the Minister of Labour said on March 3, as reported on page 1702 of *Hansard*:

> Whenever a report is forthcoming on this matter it will be made available to the house.

Does the Prime Minister repudiate that statement of the Minister of Labour, that whenever a report on this matter is forthcoming—not whenever a report has been approved by the cabinet—it will be made available to the house? That is what we are asking for. May I ask the Prime Minister whether he proposes to table this report at the beginning of the next session, if he will not table it now, and give us the information contained in it?

Mr. Diefenbaker: That is a very proper suggestion, and it will receive the most sympathetic consideration. That is a very proper question and one which I immediately answer in the manner in which I have.

Mr. Martin (Essex East): May I ask a supplementary question? If the Prime Minister will table that report, as he has now agreed to do, I take it that in view of the co-operative nature of my hon. friend's

interrogation there will be no action taken on that report until parliament has had an opportunity to study it.

Mr. Winch: What has this to do with vote 310?

The Chairman: It was agreed that under vote 309 the report of the special committee charged with studying a new measurement of unemployment figures might be considered.

Mr. Winch: I thought 309 was carried and that we were on 310.

Mr. Martin (Essex East): I think the Prime Minister was about to reply before that intervention took place.

Mr. Diefenbaker: In the interval we may have gone on to another item, but if the hon. member would repeat his question—

Mr. Martin (Essex East): My question was, since the Prime Minister acting in accordance with the co-operative attitude of the Leader of the Opposition has agreed to table the report—

Mr. Fulton: No such thing.

Mr. Martin (Essex East): I am asking the Prime Minister—

Mr. Fulton: Twisting again.

Mr. Martin (Essex East): I am asking the Prime Minister if the government will allow parliament to consider the recommendations of that report before any action is taken with regard to any proposed changes, if there are any proposed changes.

Mr. Diefenbaker: I have always had to pay careful attention to the questions asked by the hon. gentleman, because while he talks of co-operation his words sometimes do not reveal that co-operation which he so strongly espouses. May I say this: Whatever the spirit of co-operation may be, the government will act in a way that it believes necessary within its constitutional powers.

Mr. Martin (Essex East): You know what you are going to do.

Item agreed to.

Emergency measures—

311. Administration and operation of the emergency measures organization including duties in the field of civil defence transferred to this organization, $635,430.

Mr. Pearson: We are now on the item emergency measures, and this is a very important matter. Has the Prime Minister anything to tell the committee with regard to this item?

[Mr. Martin (Essex East).]

Mr. Diefenbaker: I thank the Leader of the Opposition. If he will allow me I will make a statement in this regard.

This vote provides for the operating expenses of the emergency measures organization both at headquarters and in the field, including the cost of obtaining technical advice and assistance from outside the public service with respect to special projects. The functions of the organization are:

To develop with federal departments their essential plans for wartime operation.

To develop plans in areas not the normal concern of federal departments or not specifically assigned to them for civil emergency planning purposes.

To co-ordinate all such plans, including particularly those grouped under the heading "civil defence".

To develop plans for decentralized federal government in wartime, and to correlate the planning of provincial governments in relation thereto.

To maintain general liaison with the provinces and to provide advice and assistance to provincial authorities on matters not the responsibility of other federal agencies.

Last year I reported in general on this subject. Since that time there have been further developments and it is these, I take it, which the hon. gentleman wishes me to place before the committee.

Whatever our feelings may be as to the international situation, fear still hangs over the hearts of men everywhere in the world. Planning for a war emergency has had to be continued. It is not based on any considered view that war is more likely or more imminent, but simply on the conviction that it is prudent that realistic planning should go forward by governments and by individuals against the possibility of nuclear attack on Canada.

Following a conference of federal and provincial representatives on the subject last October the proposed rearrangements which were in the planning stage a year ago were accepted by the provinces. All concerned in the civil defence functions have put a great deal of thought and effort into their program since that time. Aided by the doubling of funds provided by this government under the civil defence financial assistance program the provinces and many municipalities have developed extended and intensive plans to meet not only a wartime emergency but also natural disasters which might strike our people suddenly and without warning. These plans are reflected in the projects which have been submitted during the current year.

The departments concerned most immediately with this matter are the privy council, national defence, national health and welfare and justice. The privy council office, whose activities are now before the committee, is the co-ordinating agency in this field. It deals with these departments in all aspects of their planning as well as with all other federal departments and agencies having responsibilities in this field, and with the provinces.

The role of E.M.O. in respect to civil defence is to ensure that all planning bodies work to clearly defined objectives with dispatch and without gaps or overlaps. The efficacy of the arrangements made last year comes under review constantly. Close examination occurs at the time of national exercises, such as the one held in May of this year, and at conferences of federal and provincial ministers such as that held in October, 1959. National exercises and conferences will be repeated from time to time as the need for them arises.

One aspect of civilian emergency planning, is the home shelter program. Useful and practical information on the construction of basement fallout shelters in now being provided throughout Canada. It seems to be generally agreed among those who have given study to the question that the greatest danger to the greatest number of Canadians in nuclear war is radioactive fall-out.

From time to time one hears two views, both of which are negative and dangerous in that they counsel Canadians to do nothing in the face of possible danger. On the one hand it is alleged that nuclear war is so awesome in character that it will never occur. On the other hand it is said that if it does occur all, or nearly all, of our people will inevitably perish. Those who have made a thorough study of this subject believe that both these points of view are wrong. If there is a nuclear attack on Canada a great deal can be done by the government and by individuals to enable this country to survive the awful terror of nuclear war.

The provision of various types of fall-out shelters as a measure of prevention is necessary. Some say that there would be no survival anyway. That is not the opinion of those who have the responsibility of civil defence in our country or in other countries in the free world. On the other hand, there is a widespread interest. More than 4,000 people have written to the E.M.O. offices in recent weeks asking for information and plans for basement home shelters. I believe that each and all of us should make provision in this regard. In the Prime Minister's home which belongs to the people of Canada there will be provided such a basement shelter.

I think generally speaking among those who have responsibilities in government or in opposition action in this regard is simply a necessity with full regard to all the circumstances.

Last year I spoke of the continuity of government in wartime. We have endeavoured to make provision in that regard to the end that if we are struck by a nuclear attack without warning the government of the country shall be continued. This matter engages the attention of departments and agencies of the federal government as well as provincial and municipal authorities. Provision must be made for suitable accommodation and essential communications. The functions to be carried on in an emergency must be determined now and the individuals who will be concerned must be selected and trained. The government has plans for central, regional and zonal facilities to ensure continuity of government in the event of attack. I wish to report that these plans have gone forward not only nationally but regionally with the co-operation of the provincial governments. In all of the provinces the necessary facilities will be provided.

The central facilities will be staffed by federal civilian personnel and by the army. It is planned that each regional centre will be occupied also by persons representative of the public service of provincial government. E.M.O. is currently engaged in working out with provincial authorities the relation between federal and provincial wartime responsibilities in order to ensure the best possible working arrangements.

Various federal departments are involved in plans for continuity of government. Two or three examples may suffice. National health and welfare has expanded and intensified its emergency planning in both health and welfare in order to aid provinces to make more ample provision in these fields. The Department of Transport has created a new agency, the emergency national telecommunications organization, to plan in detail the controls required in that field in wartime. The Department of Defence Production has set up a planning body to develop the elements of a war supply agency charged with control over production, distribution and pricing of civilian and military supplies in wartime. In all these activities E.M.O. has a significant part in its role of co-ordination.

While I would not wish to create the impression that all elements of emergency planning have been dealt with fully since there are some that arise as the problems receive study, I feel that the house would want the assurance that progress has been made in the period under review.

A number of questions have been asked in the press and elsewhere especially dealing with the question of survival. These studies that have been made have been based upon various attack situations. Also regard has been had to the several sizes of nuclear bombs. The results of these studies point to the fact that even with modest preparations many people would survive even the heaviest type of attack.

The provinces' responsibility is in the field of the preservation of law and order, control of traffic, reception services, medical, hospital and public health services, highways, utilities systems, fire fighting services and also in the field of the training of civil defence workers.

The question of evacuation has been referred to on a number of occasions. What is the policy in this regard? The government has issued a statement of policy which was the subject of communication with the provincial premiers in November, 1959. In essence it recommended that the evacuation of probable target areas should be based upon a voluntary decision on the part of individuals and the probable target areas should develop traffic plans to facilitate whatever voluntary evacuation is likely to take place.

Mention has already been made of the assistance under the National Housing Act in connection with the building of shelters. Some have suggested that the shelter will not protect. This fall-out shelter was designed by a team of government employees including scientists from the defence research board and the national research council. It is a proved scientific fact that a mass of dense material such as earth and concrete will reduce the intensity of radioactivity.

Questions have also been asked with regard to who would be responsible for the implementing of civil emergency planning. That responsibility rests on the Prime Minister and also on the three federal departments to which I have already referred.

Expenditures on civil defence have increased very greatly. In 1959-60 the total amount was $10,028,345 and in 1960-61 it is $36,824,500.

I believe that that generally represents something of the situation and brings the record up to date from the explanation I made last year.

Let me emphasize that the action being taken does not imply that we believe that war is imminent, but it would be less than wise for the Canadian people or for people anywhere in the free world not to take those precautions which can be taken now. All of us pray that the occasion will never arise when Canada or those nations associated with her in the free world will ever require to implement these plans of precaution. We in the free world pray there will be peace and we can cause those who from time to time threaten and bluster to realize that whatever number of survivors there may be, a nuclear war, if it did not destroy civilization, would at least set it back to the dark ages for generations to come.

A question was asked today by the Leader of the Opposition as to the disarmament commission meeting next Tuesday. As I am about to conclude these estimates I express the fervent hope of hon. members in all parts of the house and of the Canadian people that those who today would by their action threaten with awesome declarations will realize that such threats deny disarmament without which mankind today is in greater danger than at any time in its march to better things.

One does not like to bring before parliament a picture that in the twentieth century preparations have to be made for survival. What we are doing, what we have done, is designed not to constitute an attitude of defeatism, defeatism when measured in the light of the international situation, but rather the taking of that action which is a responsibility that rests on the shoulders of those who endeavour to discharge the responsibilities of government.

Mr. Pearson: Mr. Chairman, this is, to use the Prime Minister's words, an awesome and a frightening subject to be discussing at any time, but it is one that must be discussed and must be faced. If we do that in this parliament it does not mean that we are thinking, let alone acting, in terms of war rather than peace. But it does mean that we have an obligation to act to ensure the survival of some if the madness of man leads him into the abyss of nuclear destruction. There are those who deny that obligation; there are many, and I am one of them, who find it difficult to come to a conclusion as to the extent of the obligation we should undertake.

I approach this subject—and I intend to say only a few words about it, Mr. Chairman—from two points of view, from the point of view of policy and from the point of view of organization. The first point of view, that of policy or almost of philosophy, has a bearing on the problem of what our obligation is in this situation. There are those, as I have said, who feel that we should and can do nothing; that if there are nuclear attacks it is hopeless to try to do anything because that would be at the end of everything and we shall get, all of us, what we deserve; that we have forfeited our right to survival

by permitting this kind of thing, and therefore there is nothing that we can do about it; that we should not allow any effort toward survival to interfere with the supreme effort to keep the peace, which is the only way we can survive. If, however, we cannot keep the peace, there are some, and I am not one of them, who claim that we should direct our own defence and foreign policy in such a way that it will at least ensure to the maximum possible extent keeping us out of war. I cannot accept that because I believe in collective security and collective obligations to that end.

There are others at the other extreme who say that we should do everything we possibly can to ensure the survival of the maximum possible number of our people, irrespective of the cost; that we must organize now for that purpose. In the reports I have been reading over the months, and I am sure the Prime Minister has read some of them—I am thinking of one in particular from the Stanford institute—there is a growing feeling that by proper organization and by proper survival methods we can ensure that in the worst contingency our people will not be destroyed.

The appropriation before us, $33 million, or the total appropriation for this purpose, indicates that something is being done. Whether it is enough I do not know. Then there is the other question of organization. This is important if we are to try to ensure the survival of the maximum number of our people, having regard to the diversion of our resources for this purpose. Surely it is a matter of first importance that we have the best possible kind of organization for that purpose. The Prime Minister has indicated tonight what that organization is. It was discussed, I believe, in the estimates committee at some length with the Minister of National Defence. I myself feel that in respect of organization there should be much greater centralization than there is at present; that the responsibility for this vital matter is spread over too many departments. I do not deny, in fact it is obvious, that all the departments the Prime Minister mentioned are involved, but there must be one single ultimate authority, and as I understand it now there is no such single ultimate authority. If I am wrong, the Prime Minister will correct me.

We support the measures that are being taken but we do feel that if these measures are to be taken, and they now involve large expenditures, we should be given reasonable certainty at least that the organization is the most effective that can be developed for that purpose and that there is close and constant liaison among all levels of government because all levels of government are certainly concerned.

Mr. Regnier: I believe this matter of civil defence is one of the most important problems facing the Canadian nation. I believe a well organized civil defence for survival is the greatest deterrent we can have against war or against attack. I think a nation that knew we were organized to survive might hesitate to declare war on Canada. I am one who believes that we should organize for civil defence irrespective of costs. We may be spending billions of dollars for national defence, military defence, just as deterrent, but if war should come it may be that all the money that we spend for national defence is money down the drain; that the only thing that might be useful would be shelters constructed for the survival of the Canadian people.

I know that when I came to this house in 1958 I was aghast to find that the previous government had prepared for one million casualties and had accumulated supplies to take care of that many people. I was scandalized that they had not prepared for prevention. I am not so much impressed with the cure. I think we should avoid casualties and I agree with the Prime Minister that we can survive if we prepare for survival. I think we can take the sting out of the bomb if we organize properly for civil defence.

I believe we should organize in such a way as to have one million shelters and that the government should help. Probably the winter works program should be made applicable to the building of shelters. I know that something is being done in the Department of Public Works to help in the construction of shelters, but I do not believe that if we leave it to the Canadian people to build shelters we will be ready if war comes.

We know that Khrushchev is rattling his rockets. We may have war tomorrow and we are not prepared. I would rather spend money on one million shelters than on 100 planes because planes may be useless against rockets and missiles whereas shelters would be a safeguard against fall-out from missiles or rockets. I really have been scandalized by the failure of the previous government to take action at the proper time. I am not satisfied that we are doing enough even today. I think this is the greatest emergency that has faced the nation and we must help the people to build shelters. We must make provision for allowing depreciation so far as income tax is concerned. We might even be able to pay half the cost of shelters because

we are faced with the situation that we may have war any day and we cannot lose any more time.

Mr. Diefenbaker: Mr. Chairman, I do not want to hold up my own estimates but the Leader of the Opposition asked whether the necessary organizational measures had been provided. He indicated in his remarks that neutralism for Canada was a fantastic dream and that we, occupying as we do a central position between the U.S.S.R. and the United States, cannot conceivably be neutral in any way. Our geography denies it, our tradition denies it and our belief in freedom denies it.

In charge of the organization is the Prime Minister or acting prime minister, and with him the other key ministers to whom I have already referred. The federal civilian group and the army group will be given orders from the national headquarters. They will have the authority, of course, to take certain measures on their own responsibility. If they are cut off from the centre they will have the authority to act on their own.

There will be in each regional centre a senior representative of the federal government who will immediately assume this important task if and when war breaks out. He will have full authority to act when necessary on behalf of the federal government. In addition, of course, we shall have the army commanders exercising their authority over military operations but subject at all times to the direction of the government, either directly or through the regional representatives. I think that answers in general the question asked by the Leader of the Opposition.

Item agreed to.

DEPARTMENT OF AGRICULTURE

504. Contributions to the governments of the provinces of Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one half the amounts paid by the governments of those provinces in respect of the transport of fodder, straw and other livestock bedding and the movement of cattle to feed from the 12th day of October, 1959, to the 30th day of April, 1960, $261,500.

Mr. Martin (Essex East): What is this?

Mr. Harkness: This is the item you would not let pass last night.

Mr. Martin (Essex East): Would the minister give us the information now, please, which we asked for?

Mr. Harkness: Mr. Chairman, I gave all the information that was asked for last night. Apparently the hon. member had no more questions to ask at that time and if he has no more now I think the item should carry.

[Mr. Regnier.]

Mr. Martin (Essex East): Mr. Chairman, I would not want the last question to be on such an unfortunate note as that. I will not say that the minister does not know the answer. I will only say that he has not got the answer within easy reach.

Mr. Harkness: Mr. Chairman, I answered all questions that were asked last night, and if the hon. member has any other questions in connection with this matter I would be delighted to answer them also.

Mr. Martin (Essex East): Next session.

Mr. Harkness: I do not think he has any further questions.

Mr. Pearson: Mr. Chairman, the hon. gentleman has no further questions.

Some hon. Members: Hear, hear.

Mr. Pearson: On that subject.

Item agreed to.

Resolutions adopted this day in committee of supply reported and concurred in.

WAYS AND MEANS

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of ways and means.

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

Mr. Fleming (Eglinton) moved:

That towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1961, the sum of $2,452,983,811.56 be granted out of the consolidated revenue fund.

Motion agreed to.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-90, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as we are now coming into the end of a long, arduous and productive session, may I express the appreciation of all hon. members in the house for the manner in which you have discharged your responsibilities as custodian of the rights and privileges of the House of Commons. To the Deputy Speaker and to the chairman of committees, I give our thanks, too, for the manner in which they have discharged their responsibilities. To the Leader

of the Opposition (Mr. Pearson) and to the hon. member for Vancouver East (Mr. Winch), the deputy to the deputy of the party to which he belongs, and to all hon. members in the house, may I express good wishes for the months that lie ahead. To the Leader of the Opposition (Mr. Pearson), may I say this: I wish him health and happiness, but not too much success.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I, on behalf of the opposition, be permitted to join in the observations of the Prime Minister and express our appreciation in regard to your own services, as well as those of the Deputy Speaker and the chairman of committees. It has been a long, difficult and at times contentious session. You, sir, and others in the chair, have always shown patience, good humour and fairness in your dealing with the opposition. If at times we have tried your patience, perhaps you will remember that the government has tried our patience.

I should like also, if I may be permitted, to express our appreciation of the services to the house, and perhaps here I can speak for all hon. members, by the *Hansard* reporters, who have certainly had a difficult, long and arduous session; the officers of the house, the pages and translators as well as others who have ministered to our comfort in so many ways. I am not forgetting the restaurant. This, as I have said, has been a long and difficult session for them. It would have been much more difficult for us if we had not had the advantages of their skilled and unselfish work.

May I say to the Prime Minister and to the members on the government side that we have enjoyed working with them. If at times they have not been receptive to the ideas from the opposition, so many of which have come from my hon. friend from Essex East, that has not been their loss so much as it has been the country's loss. I reciprocate the Prime Minister's personal good wishes. I hope he now has a restful time and a happy vacation, because he is going to need it.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, after consultation with our group I find I can speak with a unanimous voice. I am proud, sir, on behalf of our group, to tell you how much we have appreciated the way you have conducted your office, and the respect you have shown for what is compatible with your position in maintaining the rights and privileges of members and the decorum and decency of parliament. I may say that I cannot agree with the remark of the Prime Minister that it has been a productive session, but that is a responsibility he will have to accept. However, sir, it has been an interesting session, a long and arduous session. I have no hesitation in saying that I am glad it is coming to a close tonight because, having been home only six days this year, I thank God to learn during the discussion of divorce that desertion is not a ground.

I believe that although there have been long and sometimes perhaps bitter discussions in this house this is parliament and democracy in action. One thing, sir, I do want to say, not only as a result of my seven years here but my previous experience, and one thing of which I am proud, that is that the difference in policies and in principle in the house do not stop friendships outside of it. Though we may differ in politics and in policies, one thing I think goes out from this house, we are all Canadians. So with those words I will say—I do not want to say good-bye because I never will—adios till we meet again.

Mr. Speaker: If I may be absolved temporarily from my rule of silence I should like very much to acknowledge with great gratitude the very kind words which have been spoken by leaders on both sides of the house.

Mr. Winch: And very honest words, sir.

Mr. Speaker: The cordial tolerance which is shown for the shortcomings of which I am all too conscious encourages me and softens the sadness which I feel at the close of this session. I think I may be able now to bear up during the ensuing weeks.

I should like, if I may to acknowledge on behalf of the officers of the house and those who serve us here the kind words which have been said about their services which all of us appreciate so deeply, as they lay the groundwork for what we are able to accomplish here. I will not include in this the Deputy Speaker and chairman of the committee and vice chairman who are able to speak for themselves and who I am sure would like to have the opportunity to join with me in these words of thanks and good wishes to all members during the recess.

Just one other note I would like to add. When we go to the other place this time we shall not return, but I hope that all hon. members will find their way back if not to this chamber to the one on the other side of the hall.

(Translation):

The Chairman: Mr. Speaker, with *Hansard* for this session running to 8,000 pages, it would appear that we have reached a new record.

Royal Assent

Not only has the session been long, it has also been at times pretty arduous. You must realize what an extraordinary experience it has been for a relatively inexperienced member to perform the functions of Deputy Speaker of the house and to act as committee chairman.

At all events, I am still alive and it is surely due to the assistance you have given me, Mr. Speaker, and to the generosity shown to me by all party leaders.

I thank all members for their co-operation and their kindness towards me. I have no doubt made mistakes but with time I shall try to improve.

(Text):

To all I wish to say thank you very much for the generosity and I hope that next year the Deputy Speaker will know a little more and will be better prepared.

Mr. C. E. Rea (Spadina): Mr. Speaker, may I thank hon. members for their very kind and generous words. It is only with their co-operation that a chairman is able to discharge his sometimes rather hard duties. May I also thank the clerks at the table for their good advice and their kind words when needed.

Mr. Speaker, through you may I thank so many hon. members who inquired from time to time about the progress of my knee after my accident. In that regard may I say I have had a nibble from an unnamed football team.

Mr. Speaker: It is agreed that the sitting be suspended pending word from the other place?

Mr. Winch: At the call of the bell?

Mr. Speaker: Yes.

Some hon. Members: Agreed

Mr. Speaker: Then the sitting is now suspended.

SITTING SUSPENDED

* * *

SITTING RESUMED

THE ROYAL ASSENT

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

Government House,
Ottawa, August 10, 1960

Sir:

I have the honour to inform you that the Honourable Mr. Justice Locke, in his capacity as deputy of His Excellency the Administrator of the government of Canada, will proceed to the Senate chamber today at 10.50 p.m., the 10th August, 1960, for the purpose of proroguing the third session of the twenty fourth parliament of Canada.

I have the honour to be,
sir,
Your obedient servant,
E. Joly de Lotbinière,
Assistant Secretary to the
Governor General.

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

Mr. Speaker, the Honourable the Deputy of the Administrator of the Government of Canada desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

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

In the Senate chamber, the Honourable the Deputy of the Administrator of the government of Canada was pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Judges Act.
An act to amend the Combines Investigation Act and the Criminal Code.
An act for the recognition and protection of human rights and fundamental freedoms.
An act to amend the Judges Act.
An act for the relief of Enid Grace Pascoe Dawson.
An act for the relief of Julianna Catharina Mehilercsik Jutras.
An act for the relief of Helen Kurtzman Bernard.
An act for the relief of Barbara Jean Gillies Harris Cooke.
An act for the relief of Evelyn Annie Macleod Vaillancourt.
An act for the relief of John Thomas Francis White.
An act for the relief of Helen Frances Estelle Kearney Freeman.
An act for the relief of Omer Therrien.
An act for the relief of Helen Elisabeth Millar Ramshaw.
An Act for the relief of Larry Orsa.
An act for the relief of Brenda Mary Pardy Thacker.
An act for the relief of Lily Schucher Cohen.
An act for the relief of Anna Margaret Laurie Cannon Stevenson.
An act for the relief of Roger Vermette.
An act for the relief of Rose Vosko Ribkoff.
An act for the relief of John Gilbert Oakley.
An act for the relief of Earl Bernard Lapierre.
An act for the relief of Marie Rose Nicola Lapenna McLaughlin.
An act for the relief of Delema Grace Mullin Simon.
An act for the relief of Earle James Andrew Aspell.
An act for the relief of Marie Simone Louisette Bellemare Lafond.
An act for the relief of Elizabeth Lebherz Denig.
An act for the relief of James William Neilan.
An act for the relief of Donna Lois Marchand Silverman.
An act for the relief of Leo Proulx.
An act for the relief of June Laura Welby Leger.
An act for the relief of Dorothy May Kenny Mulcair.
An act for the relief of Margaret Kathleen Graham Lane.
An act for the relief of Hubert Shirley Quartz.

Royal Assent

An act for the relief of Claudine Fernande Yvette Thibaudeau Tarride.

An act for the relief of Mary Pirie Wood Hunnisett.

An act for the relief of Marine Tony Jakovich.

An act for the relief of George Henderson.

An act for the relief of Jean Ludger Villeneuve.

An act for the relief of Robert Marcel Castets.

An act for the relief of Sarah Mary Shirley Collins Stewart.

An act for the relief of Stella Jean Dunn Breitman.

An act for the relief of Klari Margo Farkas Bodo.

An act for the relief of Vera Eileen Rath Croucher.

An act for the relief of Rena Kanofsky Perzow.

An act for the relief of Pearl Thorne Chipman.

An act for the relief of Joan Ethel Brooks Clarke.

An act for the relief of Ann Aaron Regenstrief.

An act for the relief of Eleanor Agnes Overall Cannon.

An act for the relief of Betty Zaracoff Ferstenfeld.

An act for the relief of Kenneth Alan MacKenzie.

An act for the relief of Honoria Evelyn Day Matthew.

An act for the relief of Rene Georges Clement.

An act for the relief of Mary Eva Sheila Redmond Beards.

An act for the relief of Geraldine Anne Mary McElligott Parsons.

An act for the relief of William Gordon Jack.

An act for the relief of Eileen Coates MacPherson.

An act for the relief of Maria Lozinsky Truby.

An act for the relief of Willie Pomerleau.

An act for the relief of Patricia Frances Turley Raustis.

An act for the relief of Mary Jean Olive De Vouge Tremblay.

An act for the relief of Dorothy May Vallis Odell.

An act for the relief of Jimmy D'Abate.

An act for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.

An act for the relief of Monique Bauset Malo.

An act for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.

An act for the relief of John Frederick Alfred Webster.

An act for the relief of Mary Prukker Wigmore.

An act for the relief of Elizabeth Rudolph Beauchemin.

An act for the relief of Georges Delrue.

An act for the relief of Marie Claire Georgette Cronier Brault.

An act for the relief of Marie Therese Louise Forest Morin.

An act for the relief of Donat Savoie.

An act for the relief of Joseph Arthur Andre Sicotte.

An act for the relief of Stanley Wellington Burton.

An act for the relief of Hannah Bitensky Bidner.

An act for the relief of Katherine Elizabeth Moore Shaw.

An act for the relief of Mary Margaret Young Doulton.

An act for the relief of Iris Margaret Leslie Sankey Jolliffe.

An act for the relief of Mary Glen Keirstead Routliffe.

An act for the relief of Helen Balacan Berinbaum, otherwise known as Helen Balacan Berne.

An act for the relief of Morris Arthur Bergeron.

An act for the relief of Erica Theresa Schockner Giwertzman.

An act for the relief of Boris Moses Ovrutzky.

An act for the relief of Mac Ravitsky.

An act for the relief of Timothy David Rudston Thomason.

An act for the relief of Anne Smilovitch Portnoff.

An act for the relief of Violet Sandra Miller MacKenzie.

An act for the relief of Reva (Rita) Hutkin Agoston.

An act for the relief of Jean Ann Brown Craig.

An act for the relief of Frances Malofy Marzitelli.

An act for the relief of Georgette Malick David.

An act for the relief of John Priestley.

An act for the relief of Caroline May Alexander Clements.

An act for the relief of Ellen Schwarz Blok.

An act for the relief of Nijs de Vos.

An act for the relief of Lucien Girard.

An act for the relief of Emilia Arcoragi Fisher.

An act for the relief of Michael Kaluta.

An act for the relief of Andre Marsolais.

An act for the relief of Jozefa Lukasiewicz Bielicz.

An act for the relief of Beverley June Russell Ehrhardt.

An act for the relief of Edith Hirsch Distelman.

An act for the relief of Lise Johanne Carreau Wolczecki.

An act for the relief of Charlotte Stilman Shulman.

An act for the relief of Gail Rabinovitch Golden.

An act for the relief of Marie Rose Lucette Durocher Di Iorio.

An act for the relief of Nelson Cyr.

An act for the relief of Ivy Baldwin Collier Wright.

An act for the relief of Joseph Alain Jean Guy Berube.

An act for the relief of Shirley Loraine Knodell Burke.

An act for the relief of Rene Lassonde.

An act for the relief of John Pastor.

An act for the relief of Margaret Dunn Hepburn Sanderson.

An act for the relief of Maurice Sykes Ward.

An act for the relief of Clark Alvin Graham.

An act for the relief of Noeleen Natalie Adams Lamond.

An act for the relief of Harry Gillman.

An act for the relief of John Philip Bowers.

An act for the relief of Carl August Christensen.

An act for the relief of Barbara Joan Marsh Wolfe.

An act for the relief of Barbara Ann Tuppen McIntosh.

An act for the relief of Dorcina Doris Dubuc Clark.

An act for the relief of Gerald Healy.

An act for the relief of Marlene May Myles Robinson.

An act for the relief of Phyllis Louise Clements Harris.

An act for the relief of Anne Olivia Sinclair Fuller.

An act for the relief of Viola Mabel Stead Cole.

An Act for the relief of Patricia Ann Shirley Howell.

An act for the relief of Lillian Juanita Sheppard Simpson.

An act for the relief of Ivy Winifred Grace Arthur Birks.

An act for the relief of Barbara Ruth Aird Barwick.

An act for the relief of Diane M. L. Turner Hammond.

An act for the relief of Dorothy Craven Masse Perrett.

An act for the relief of Helen Landau Shuster.

An act for the relief of Fagy Litner Selinger.

An act for the relief of Pearl Shedlack Dubin Birnbaum.

Royal Assent

An act for the relief of Joseph Szczepanski.
An act for the relief of Magdalena Beata Landau Weissler.
An act for the relief of Frantisek Sladek.
An act for the relief of Kathleen Beatrice Title Levy.
An act for the relief of Helen Caroline Coleman Lewchuk.
An act for the relief of Marie Paule Andree Mercier Rowney.
An act for the relief of Alexander Leslie Mittler.
An act for the relief of Beatrice Jean Madsen Rockburn.
An act for the relief of Emma Strachan MacInnes Creery.
An act for the relief of Vira (Vera) Kotyk Marsden.
An act for the relief of Shashi Kumar Pande.
An act for the relief of Ethel Georgina Pottle Pallen.
An act for the relief of Marilyn Shendelman Kagan.
An act for the relief of Joseph Henri Marcel Vinet.
An act for the relief of Martha Dammel Reiche Domnauer.
An act for the relief of June Isabella Adamson Hogan.
An act for the relief of Wincenty Strzelczyk.
An act for the relief of Janina Rodzoch Nowak.
An act for the relief of Margaret Ruth McLellan Kennedy.
An act for the relief of Hazel Ina McEwing Hickey.
An act for the relief of Marie Marthe Alberta Ladouceur Parenteau.
An act for the relief of Olga Gokler Crisan.
An act for the relief of George Graham Thresh.
An act for the relief of Joseph Arthur Porcheron.
An act for the relief of Paul Drolet Massue.
An act for the relief of David Byrne Kieran.
An act for the relief of Nina Finkelstein Anshell.
An act for the relief of Joseph Leo Roger Latendresse.
An act for the relief of Norma Rosalie Parsons Turgeon.
An act for the relief of Maria Reichinger Lehnen.
An act for the relief of Marie Cecile Leda Nezeau Leger.
An act for the relief of Rose Mary Dubeau Pietrinferno.
An act for the relief of Daniel Edward Napasney.
An act for the relief of Pauline Mary Ann Irene Patry Gaudreau.
An act for the relief of Rose Ella Katherelos Parry.
An act for the relief of Gwendolyn Marion Mizener Nassif.
An act for the relief of Joseph Ernest Coutu.
An act for the relief of Joseph Henri Berube.
An act for the relief of Maria Hocheder Weber.
An act for the relief of Sherrill Ordidge Glandsdorp.
An act for the relief of Bronislaw Kulawik.
An act for the relief of Pauline Sornin Barrett.
An act for the relief of Sandra Maxine Shoore Sheydwasser.
An act for the relief of Margaret Maclaren Harris.
An act for the relief of Irmgard Poikonen Horvath.
An act for the relief of Estelle Labelle Baxter Robertson.
An act for the relief of Alphonse Yared.
An act for the relief of Andre Lamothe.
An act for the relief of Rita Hamel Labranche.
An act for the relief of Lionel Boucher.
An act for the relief of Eliza Boudreau Filion.
An act for the relief of William Leslie Baillie.

[Mr. Speaker.]

An act for the relief of Pauline Handji Edelstein.
An act for the relief of Molly Brenda Stein Butterman.
An act for the relief of Laurette Biron Valade.
An act for the relief of Viviane Hirsch Montmartin Gadbois.
An act for the relief of Grace Kara Forshaw.
An act for the relief of Gloria Helene Stotland Titleman.
An act for the relief of Armand Simeon Lavictoire.
An act for the relief of Audrey Mary Crosbie Morris.
An act for the relief of Joyce Tabah Tomy.
An act for the relief of Ruth Irene Diakur Mendel.
An act for the relief of Florence Beryl Kellam Weinstein.
An act for the relief of Marie Esteie Caprari.
An act for the relief of Olive Bowes Schofield.
An act for the relief of Jeanne Beauchemin Arpin.
An act for the relief of Jean Claude Bilodeau.
An act for the relief of Robert George Butler.
An act for the relief of Helen Harpes Avon.
An act for the relief of Sonia Slovsky Coppel.
An act for the relief of Shirley Huberman Schrieber.
An act for the relief of Paulette Goldberg Slepp.
An act for the relief of Richard Austin Evans.
An act for the relief of Marion Mary Treen Frosst.
An act for the relief of Joyce Mary Whiteman Rogers.
An act for the relief of Vera Arlene Perry Locke.
An act for the relief of Beatriki Bourboulis Angelidis.
An act for the relief of Jessie Margaret Cross Joly.
An act for the relief of Guy Labrosse.
An act for the relief of Joyce Agnes Catherine Wilkinson Greenwood.
An act for the relief of Jacques Cormier.
An act for the relief of Mary Lorraine Little Copping.
An act for the relief of Sylvia Trachimovsky Fox.
An act for the relief of Kathleen Shannon Keene.
An act for the relief of Jean Elizabeth MacCuaig Vinters.
An act for the relief of Lucy Sekora Budnik.
An act for the relief of Joyce Middlehurst Walker.
An act for the relief of Patricia Shirley Rydberg Menzies.
An act for the relief of Real Blier.
An act for the relief of Viola Elsie Ann Johnson Anderson.
An act for the relief of Margis Wellisch Ruszugar Hancz.
An act for the relief of Janina Lukazewicz Soloducha.
An act for the relief of Arthur Woodbridge Dale.
An act for the relief of Maria Jacoba Arens Mannens.
An act for the relief of Gerard Henri Turgeon.
An act for the relief of Nancy Jane Wyllie Wood Aylwin.
An act for the relief of Yves Brodeur.
An act for the relief of James Joseph Sceviour.
An act for the relief of Leon Zygowski.
An act for the relief of Neeltje Doruijter Van der Spoel.
An act for the relief of Paul L'Heureux.
An act for the relief of Joseph Daniel Bernardin Daigle.

Royal Assent

An act for the relief of Giovanna Intini Mancuso.
An act for the relief of Eileen Williams Gushue.
An act for the relief of Jean Eleanor Jackson Connell.
An act for the relief of George Henry Basil.
An act for the relief of Eileen Kathleen Astley Craig.
An act for the relief of Edith Tobat Heinemann.
An act for the relief of Davis Zave Garmaise.
An act for the relief of Marie Frederique Raphaelle Mireille Fortier Kingsbury.
An act for the relief of Franko (Franz) Stapinskyj.
An act for the relief of Eva Facey Lund.
An act for the relief of Joan Dunn Ostrosky.
An act for the relief of Teresa Greco Caputo.
An act for the relief of William Pinkerton.
An act for the relief of Frank David Cousens.
An act for the relief of Denise Baril Sarrazin.
An act for the relief of Wassily de Krokhaleff.
An act for the relief of Henriette Rioux Beaupre.
An act for the relief of Lillian Olive Robertson Reinhold.
An act for the relief of Myrtle Gertrude Lily Molloy Heany.
An act for the relief of Kathleen Margaret Sinclair McKenna Roberts.
An act for the relief of Marion Toba Wolfe Cohen Shapiro.
An act for the relief of Marie Lucille Simone David Raymond.
An act for the relief of Otto James Kerr.
An act for the relief of James Justin Sims.
An act for the relief of Sylvia Overland Katz.
An act for the relief of Blanche Brigitte Paulette Gagne Joly.
An act for the relief of Carmel Duguay Mitchell.
An act for the relief of Catherine Maureen Kelly Mavor.
An act for the relief of Maria Ruland Reutter.
An act for the relief of Joseph Louis Victor Dupere.
An act for the relief of Rose Polivka De Bom.
An act for the relief of Vernis Clifton Christie.
An act for the relief of Thomas Edward Imbleau.
An act for the relief of Jean Guy Cardinal.
An act for the relief of Marie Mathilde Charlotte Boisjoli Dore.
An act for the relief of David Lloyd Tune.
An act for the relief of Sybil Fenster Shaicavitch.
An act for the relief of Lynda Marjorie Cowell Smith.
An act for the relief of Alois Zisser.
An act for the relief of Stanley Sepchuk.
An act for the relief of Nadine Tudor Labreche.
An act for the relief of Robert Gordon Stitt.
An act for the relief of Philippa Jane Hutchins Tanton.
An act for the relief of Julianna Barna Nadasdi.
An act for the relief of Franciszek (Frank) Wyspianski.
An act for the relief of Mary (Moira) Steel Taylor Maddison-Roberts.
An act for the relief of Marie Evelyn Lindsay Slade.
An act for the relief of Elsa Faiga Manace Grossman.
An act for the relief of Joseph Armand Dube.
An act for the relief of Margaret Elizabeth Perkins Petrachuk.
An act for the relief of Istvan Horvath.
An act for the relief of Kathleen Margaret Manchios Kotsos.
An act for the relief of Peter Zeppetini.
An act for the relief of Jean Louis Beaudet.
An act for the relief of Antoni Kubowicz.
An act for the relief of Georg Zechanowitsch.
An act for the relief of Sonia Kwas Cada.
An act for the relief of Stanislaw Wroblewski.
An act for the relief of Jean Ednah Hiltz Dewey.
An act for the relief of Vera Jarvis Lahaye.
An act for the relief of Claire Marie Marchand McGuinness.
An act for the relief of Marie Denise Theberge Duguay.
An act for the relief of Marie Rita Desneiges Trepanier Pelchat.
An act for the relief of Darrell Ashley Connor.
An act for the relief of Gladys Florida Allard Chenier.
An act for the relief of Sonia Floomberg Shaffer.
An act for the relief of Alice Marylyn Archibald Warren Wornell.
An act for the relief of Doris Miller Burke.
An act for the relief of Jacquelyn Gregory Bradley Walker.
An act for the relief of Monica Carolyn Nolan McCullough.
An act for the relief of Aime Albert.
An act for the relief of Rene Helen Engel Graham.
An act for the relief of Florian Poissant.
An act for the relief of Mary Kathleen Potts (Wittingham) Barretta.
An act for the relief of George Herbert Bissessar.
An act for the relief of Leslie Robert Stickles.
An act for the relief of Philippe Simard.
An act for the relief of Estelle Caroline Lohnes Antilla.
An act for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.
An act for the relief of Andree Edmonde Augusta Fontaine Barriere.
An act for the relief of Eleanor Jean Mott Taylor.
An act for the relief of Rose Van Embden Singer.
An act for the relief of Jack Emile Chiarella.
An act for the relief of Elaine Louise Robinson Solkin.
An act for the relief of Gerald Onie Shannon.
An act for the relief of Percival Verna Nathan.
An act for the relief of Valerie Elsie Price Perrault.
An act for the relief of Joseph Edmond Giroux.
An act for the relief of Allen Dwight Westover.
An act for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.
An act for the relief of Claire Ruth Rubins Lyons.
An act for the relief of Stanislaw Przybyla.
An act for the relief of Ian Church Wood.
An act for the relief of Marie Hariette Claudette Boisvert Beaudry.
An act for the relief of Arthur Edward Parker.
An act for the relief of Owen John Lummis.
An act for the relief of Ronald Norman Hogg.
An act for the relief of Roy Walter Williams.
An act for the relief of Barbara Doris Jennings Fitzgerald.
An act for the relief of Christine Nancy Littleton Cohen.
An act for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.
An act for the relief of Kazimierz Romanowski.
An act for the relief of Norma Katherine MacDonald McLean.
An act for the relief of Diane Hawkins Edler.
An act for the relief of Marcel Pouliot.
An act for the relief of Gisele Raymond Vallee.
An act for the relief of Madeleine Arbour Gauvreau.
An act for the relief of Pierre Frederic Bruneau.
An act for the relief of Nancy Virginia Webster Canning.
An act for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.
An act for the relief of Jean Paul Alfred Lebel.
An act for the relief of Bernice Ellis Biltis.
An act for the relief of Evagelia Karidi Tsitsos.

Royal Assent

An act for the relief of Barbara Raphael Salomon.
An act for the relief of Richard Denis Giblin.
An act for the relief of Fanny Hussey Baggs.
An act for the relief of Lambly Dorothy Audrey Hage Lambert.
An act for the relief of Paul Emile Raymond.
An act or the relief of Doris Mary Luxford Devenish.
An act for the relief of Beulah Benford Brown Lawrence.
An act for the relief of Kathleen Walsh Cohan.
An act for the relief of Francis Whiting Clark.
An act for the relief of Joan Shirley Davies Herscovitch.
An act for the relief of Eugena Grandmont Ladouceur.
An act for the relief of Ivy Helen Gentles Bell Pull.
An act for the relief of Herve Vaillancourt.
An act for the relief of Madeleine Hermine Kelen Endrenyi.
An act for the relief of Marie Jeannine Andree Boisclair Lafrance.
An act for the relief of Peter Eric Bray.
An act for the relief of Gerard Lafond.
An act for the relief of Jessie Davis Hill.
An act for the relief of Grace Ruth Goldenberg Goldberg.
An act for the relief of Elsie Mae Freake Vardy.
An act for the relief of Gisele Fortin St-Laurent.
An act for the relief of Pauline Anne Elizabeth Cunliffe Hebb.
An act for the relief of Mary Violet Maloney Elm.
An act for the relief of Gilles Jacques.
An act for the relief of Bernice May Snow Oss.
An act for the relief of Guy Grenier.
An act for the relief of Margaret Mary Ryan Girvan Hollett.
An act for the relief of Caroline Petryshyn Was.
An act for the relief of Rhonda Lee Peterson Butt.
An act for the relief of Alexandra Protonotarios Kingsland.
An act for the relief of Frances Theresa Smith MacDonald.
An act for the relief of Anna Soltysik Slawinski.
An act for the relief of Wera Podkopaewa Kraska.
An act for the relief of Ronald Mugford.
An act for the relief of Ida Denis Matte.
An act for the relief of Sterling Norman Woods.
An act for the relief of Mary Wolloch Vineberg.
An act for the relief of Lotte Wilhelmine Schwitzer Hornig.
An act for the relief of Margaret Clare Haigh Marshall.
An act for the relief of Claire Syrek Stolovitz.
An act for the relief of Lucien Dubuc.
An act for the relief of Aino Maria Leinonen Knudson.
An act for the relief of Mildred May Ghenender Greenspon.
An act for the relief of Gordon Lang Cheesbrough.
An act for the relief of Charles Guy Comeau.
An act for the relief of Frida Rosen-Deutcher Falovitch.
An act for the relief of Elizabeth Giliaeff Jahn.
An act for the relief of Myrna Ada Webber Neiman.
An act for the relief of Ellery Gordon Duncan.
An act for the relief of Sarah Wolman Rothman.
An act for the relief of Dragan Baljak.
An act for the relief of Glenda Ruth Warren Meades.
An act for the relief of Robert Hugh Parker.
An act for the relief of Catherine Hetty Dawson Gilbert Cathcart.
An act for the relief of Sheila Alexandra Anderson Williams.

[Mr. Speaker.]

An act for the relief of Georges Justin Goeury.
An act for the relief of Gabrielle Labranche Bisaillon.
An act for the relief of Maurice Joseph Martel.
An act for the relief of Ula Geraldine Taylor Gauthier.
An act for the relief of Margaret Veronica Stacey Abraham.
An act for the relief of Colette Bauer Landau.
An act for the relief of Margot Buerling Zich.
An act for the relief of Barbara Helen Watson Coones.
An act for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy.
An act for the relief of Alphonse Taghon.
An act for the relief of Paul Morency.
An act for the relief of Mary Jean Frances Collins Park.
An act for the relief of Martine Simonne Georgette Krettly Lefebvre.
An act for the relief of Elizabeth Davis Reed.
An act for the relief of Raymond Faucher.
An act for the relief of Alexander Bleziotis.
An act for the relief of Ralph Gatis.
An act for the relief of Diana Elizabeth Wilson Ronalds.
An act for the relief of Parthenope Eftichidou Economou.
An act for the relief of John Edward Anderson.
An act for the relief of Claire Viger Marcil.
An act for the relief of Denise Claire Lescarbeau Sarroino.
An act for the relief of Carolyn Louise Atwood Leslie.
An act for the relief of Sophia Kaloutsky Kachur.
An act for the relief of Rosaire Armand Farlardeau.
An act for the relief of Philippa Osler Day.
An act for the relief of Mary Rebecca Pittman Lawrence.
An act for the relief of Frances Cohen Salsky.
An act for the relief of Shirley Edith Rich Henry.
An act for the relief of Helene Lepine Greig.
An act for the relief of Marion Adelaide Smith Berube.
An act for the relief of Sheila Ethel Mitchell Martin.
An act for the relief of Margaret Hunt Tibbo.
An act for the relief of Simone Laramee Desroches.
An act for the relief of Ethel Bannister Thomas.
An act for the relief of Leo Antonio Gianfrancesco.
An act for the relief of Mary Spalton Humphries.
An act for the relief of Nicola Salvatore Veri.
An act for the relief of Noreen Elizabeth Cassidy Pineo.
An act for the relief of Marie Therese Barolet Cayer.
An act for the relief of Iris Nellie Armstrong Wedge.
An act for the relief of Lucien Carbonneau.
An act for the relief of Peter Borbely.
An act for the relief of Joseph Pierre Claude Aubin.
An act for the relief of Vladimir Ignatjev.
An act for the relief of Elizabeth Fairnington Gaul.
An act for the relief of Rolande Mercier Perreault.
An act for the relief of France Andree Joly Smith.
An act for the relief of Marcelle Schipper Brian.
An act for the relief of Norman Edward Fulford.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In Her Majesty's name the Honourable the Deputy of His Excellency the Administrator doth assent to these bills.

Then the Speaker of the House of Commons addressed the Honourable the Deputy of His Excellency the Administrator as follows:

May it please Your Honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons I present to Your Honour the following bill:

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

To which bill I humbly request Your Honour's assent.

To this bill the Clerk of the Senate, by command of the Honourable the Deputy of His Excellency the Administrator, did thereupon say:

In Her Majesty's name, the Deputy of His Excellency the Administrator thanks her loyal subjects, accepts their benevolence, and assents to this bill.

PROROGATION OF PARLIAMENT

After which the Honourable the Deputy of His Excellency the Administrator was pleased to close the third session of the twenty fourth parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The third session of this parliament has been an unusually significant and useful one for Canadians. As you return to your homes I thank you for your work on behalf of the people of Canada.

Relations between nations of the world continue to cause concern. Several incidents have heightened tensions and aroused anxiety. Despite the sombre outlook, however, my government continues to hope that reason may yet prevail in the Soviet world to the end that the differences between nations can be resolved. This will require energy, patience, strength and understanding. Canadians remain convinced that nothing must be left undone to assure real peace for our people and all men everywhere.

In the meantime, a responsible nation can do no other than contribute its part to the defensive strength of the free world. Canada remains under an obligation to provide forces for the defence of North America, to contribute to the North Atlantic alliance and in support of the United Nations. You have made the necessary provision to meet these commitments. In the past few days you have approved the sending of a Canadian contingent of signalling and logistic personnel to be a part of the United Nations operations in the Congo.

The prime ministers of the commonwealth met together in London during May and reviewed the major international problems of the day and various questions of constitutional development within the commonwealth.

You have continued, at the increased level authorized last year, Canada's contribution to the Colombo plan. You have also voted assistance for a program of aid to newly emerging nations in Africa, as well as further funds for the aid of the West Indies federation. An appropriation for the first year of operations of the commonwealth scholarship plan has been approved.

Canada's economic position in 1960 generally has remained good but the problems of employment in Canada, as in the United States, remain a cause for concern. You have authorized an expanded municipal winter works program for 1960-61. You have made increased provision for the training of unemployed persons in co-operation with the provinces. These measures, together with the steps taken to increase financing for housing construction and home improvement will provide added employment in the forthcoming winter.

Agriculture in all its aspects has continued to receive the close attention of parliament and the government. Early in the session you enacted measures to help meet problems arising from unseasonable weather in the prairie provinces which interrupted the harvesting of last year's grain crops. You have also taken concrete steps to provide assistance to the agricultural economy of western Canada.

A measure of great significance that you have enacted in this session has been the act for the recognition and protection of fundamental human rights. At a time when the enemies of freedom everywhere mock the words of freedom you have set forth for all the world to see the declaration of Canadians that the dignity of the human personality shall be preserved in Canada in equality before the law without discrimination.

You have approved a measure to give Indians the right and privilege of the franchise in federal elections on a basis of equality with their fellow Canadians, but without any sacrifice of their traditional rights.

The Canada Elections Act has been revised.

You have approved an address to Her Majesty requesting the submission to the parliament of the United Kingdom for an amendment of the British North America Act to establish a retirement age of seventy five for judges of superior courts and you have made consequential amendments to the Judges Act.

A conference with provincial representatives has been arranged for the autumn to seek agreement on the means by which the constitution of Canada can be amended in Canada in matters affecting federal and provincial jurisdictions.

You have amended the Federal-Provincial Tax-Sharing Arrangements Act to provide for the extension for the remainder of the period covered by the act of the increase in the share of the revenue from the personal income tax previously allocated to the provinces. Alternative arrangements have been approved in respect of the making of grants to universities in all parts of Canada.

In preparation for the revision of the financial arrangements with the provinces which expire in March 1962, a dominion-provincial conference was held in the last week of July. The conference will resume its discussions in October.

Important amendments have been made to the Combines Investigation Act and related provisions of the Criminal Code which will give protection to the small businessmen of Canada.

The Public Service Superannuation Act has been amended to improve it in several respects. A revision of the Civil Service Act has been placed before you for consideration in advance of action at your next session.

Legislation has been passed to provide for the establishment of a Department of Forestry to have responsibility for all matters relating to the forest resources of Canada over which the parliament of Canada has jurisdiction.

You have extended the Emergency Gold Mining Assistance Act for a further period of three years.

The Trans-Canada Highway Act has been amended to extend for three years the period during which payments may be made to the provinces for construction under the act.

You have approved measures which will enable for the first time the payment of pensions under

the Old Age Security Act and the War Veterans' Allowance Act to be made to Canadians who choose to reside outside of Canada.

You have authorized extension of the operation of the Freight Rates Reduction Act to April 30th, 1961.

New trade agreements with Australia and the U.S.S.R. have been approved.

Other measures enacted at this session include an act to establish new C.N.R. terminal facilities in Toronto, the C.N.R. Financing and Guarantee Act, an act to provide for Canada's membership in the international development association, acts to incorporate harbour commissioners at Oshawa and Nanaimo, the La Salle-Caughnawaga Bridge Act, an act to repeal certain fisheries laws of Newfoundland, a new Feeds Act and an act respecting the international boundary commission.

You have also amended the Export and Import Permits Act, the Canada-Netherlands Income Tax Agreement Act, the Windsor Harbour Commissioners Act, the Department of Justice Act, the National Housing Act, the National Energy Board Act, the Yukon Act, the Northwest Territories Act, the Railway Act, the Canada Shipping Act and the Criminal Code.

Members of the House of Commons:

I thank you for the provision you have made for the essential public services and payments for the current fiscal year.

Honourable members of the Senate:

Members of the House of Commons:

May divine Providence continue to bless, protect and guide our nation.

This concluded the third session of the twenty fourth parliament.

ANSWERS TO QUESTIONS

The following answer, deposited with the Clerk of the house, is printed in the official report of debates pursuant to standing order 39:

HILLVIEW, NFLD., POSTMASTER

Question No. 435—**Mr. Tucker:**

1. Whom did Levi Frost succeed as postmaster at Hillview, Newfoundland?
2. How long did his predecessor act as postmaster?
3. Was Levi Frost assistant to the postmaster? If so, were his services satisfactory in that position, and how long did he serve as assistant to the postmaster?
4. Has the present postmistress any previous experience in this work?
5. Has a petition been received since the last appointment, and if so, to what effect?

Answer by: **Hon. W. M. Hamilton (Postmaster General):**

1. Walter Frost.
2. Forty nine years.
3. (a) Yes. (b) Yes. (c) From the 1st August, 1957 to the 3rd January, 1959.
4. No.
5. (a) Yes. (b) The answer to the petitioners is to the effect that there is no ground for the reinstatement of Mr. Levi Frost.

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

DEPARTMENT OF TRADE AND COMMERCE

A—Department—

General administration—

390. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $2,630,716.

Trade commissioner service—

391. Administration and operation, $3,855,447.
392. Construction or acquisition of buildings, land, equipment and furnishings, $106,000.
393. Exhibitions branch, $743,766.
394. Standards branch, $2,450,467.
395. Dominion bureau of statistics including the fee for membership in the inter-American statistical institute and a contribution of $500 to the international statistical institute, $10,789,333.

Board of grain commissioners (Canada Grain Act)—

396. Administration, $159,075.
397. Inspection and weighing of grain, and related services, $4,295,426.

Canadian government elevators—

398. Operation and maintenance including authority to purchase screenings, $1,496,993.
399. Construction or acquisition of buildings, works, land and equipment, $142,000.

Special—

400. Economic and technical assistance branch, $455,161.

National Energy Board—

401. Administration, $496,260.

Supply—Items Passed

General administration—

553. Departmental administration—further amount required, $150,000.

Board of grain commissioners—

(Canada Grain Act)—

554. Inspection and weighing of grain and related services—further amount required, $46,645.

National research council—

256. Salaries and other expenses, $27,965,857.
257. Construction or acquisition of buildings, works, land and equipment, $5,059,824.
534. Salaries and other expenses—further amount required, $177,000.
535. Construction or acquisition of buildings, works, land and equipment—further amount required, $63,400.

Atomic Energy Control Board—

35. Administration expenses of the atomic energy control board, $62,755.
36. Grants for researches and investigations with respect to atomic energy, $650,000.

Atomic Energy of Canada Limited—

(Research program)—

37. Current operation and maintenance, including expendable research equipment, $23,109,900.
38. Construction or acquisition of buildings, works, land and equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works at Deep River for Atomic Energy of Canada Limited, $17,830,600.
484. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances of obligations or shares of the company) as the governor in council may approve, to finance the construction of an atomic reactor (CANDU) and auxiliary buildings near Kincardine, Ontario, and works to provide services in connection therewith; to finance the construction of housing and other works at Deep River; and to authorize Central Mortgage and Housing Corporation to undertake construction of the said housing and other works at Deep River for Atomic Energy of Canada Limited, $5,675,000.
485. Working capital advances to Atomic Energy of Canada Limited, subject to such terms and conditions as the governor in council may approve, $2,000,000.

DEPARTMENT OF FINANCE

General administration—

107. Departmental administration, $2,454,511.
108. Comptroller of the treasury—central office and branch offices administration, $18,751,482.

Administration of various acts and costs of special functions—

109. Superannuation and Retirement Acts administration, $683,529.
110. The Bank Act—salaries and expenses of the inspector general of banks' office, $33,293.
111. Administration of the Farm Improvement Loans Act, the Veterans' Business and Professional Loans Act, the Fisheries Improvement Loans Act and the Prairie Grain Producers' Interim Financing Act, $99,448.

Tariff Board—

112. Administration, $168,298.

Royal Canadian Mint—

113. Administration, operation and maintenance, $1,208,985.
114. Construction or acquisition of equipment, $41,595.

Supply—Items Passed

Subsidies and other payments to provinces—

Special payments to provinces—

115. Payments to the government of each province, in respect of income tax collected from corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam, of amounts computed in accordance with section 6 of The Tax Rental Agreements Act, 1952, as if the last two lines of subsection (1) of that section read as follows: "...ending on the thirty first day of December, one thousand nine hundred and fifty eight", $9,000,000.

Payments to municipalities—

116. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, $22,750,000.

Contingencies and miscellaneous—

117. Miscellaneous minor or unforeseen expenses, subject to the approval of the treasury board, including authority to re-use any sums repaid to this appropriation from other appropriations, and for awards under the Public Servants Inventions Act, $1,500,000.

118. Telephone service at Ottawa for all departments, $1,458,800.

119. Losses incurred on foreign exchange tendered in payment of accounts receivable, $500.

General items of payroll costs including superannuation payments—

120. Government's contributions to pension plan (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, $100,000.

121. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges, $3,000,000.

122. Government's contribution, as an employer, to the unemployment insurance fund in respect of government employees paid through the central pay office, $1,100,000.

123. Government's contribution to the hospital insurance (outside Canada) plan and to authorize the treasury board to extend the scope of the regulations made pursuant to vote 668 of the Appropriation Act, No. 5, 1958, to provide that the plan established thereby, shall, subject to such conditions as the regulations prescribe, be for the benefit of the persons described therein for such period prior to their departure from Canada to serve abroad as the regulations prescribe, $55,000.

124. Government's share of medical-surgical insurance premiums, determined on such bases and paid in respect of such persons (and their dependents), as the governor in council prescribes, who hold offices or positions or perform services the remuneration for which is payable out of the consolidated revenue fund or by an agent of Her Majesty, or who are contributors as defined in the Public Service Superannuation Act, or who are members of the Canadian forces or the Royal Canadian Mounted Police, $8,250,000.

Miscellaneous Grants—

126. Canadian association of consumers, $10,000.

127. Institute of public administration of Canada, $6,000.

Administration of various acts and costs of special functions—

515. Superannuation and Retirement Acts administration—further amount required, $43,400.

Payments to municipalities—

516. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder—further amount required, $1,700,000.

General items of payroll costs including superannuation payments—

517. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges—further amount required, $25,000,000.

518. To authorize payment of a pension during the current and subsequent fiscal years, notwithstanding anything in the Financial Administration Act or any other act or law, to Percy L. Hoffman, a former locally-engaged employee, at an annual rate of £68.3.0, the equivalent in Canadian dollars for the current fiscal year being estimated at, $191.

519. To authorize the governor in council to grant an allowance to Mrs. J. A. Lavoie, pursuant to The Civil Servants' Widows' Annuities Act, 1927, and to ratify all payments of an allowance purporting to have been granted pursuant to the Civil Service Superannuation Act, $1.

520. To extend the purposes of vote 513 of the Appropriation Act No. 5, 1959, to authorize the treasury board to designate those boards, commissions and corporations (including the office of the custodian of enemy property), whose employees join the group surgical-medical plan, that shall from time to time as required by the Minister of Finance pay into the consolidated revenue fund an amount (as determined by the Minister of Finance) equal to the amount paid as the government's share of the surgical-medical insurance premiums in respect of such employees, $1.

AUDITOR GENERAL'S OFFICE

39. Salaries and expenses of office, $890,860.

Insurance—

150. Departmental administration, $691,612.

PRIVY COUNCIL

308. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's privy council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and pro rata for any period less than a year, $7,500.

Privy council office—

309. General administration, $503,171.

Prime Minister's residence—

310. Maintenance and operation, $25,000.

Emergency measures—

311. Administration and operation of the emergency measures organization (including duties in the field of civil defence transferred to this organization), $635,430.

Special—

312. Expenses of the royal commission on railway problems including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $181,000.

313. Expenses of the royal commission on coal including the payment, notwithstanding the Civil

Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $40,000.

Special—

538. Expenses of the royal commission on coal—further amount required, $25,000.

539. Expenses of the Royal Commission on the Great Slave Lake Railway including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board, to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $6,000.

540. Expenses of the royal commission on price spreads of food products including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board, to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $10,000.

Governor General and Lieutenant Governors—

148. Office of the secretary to the governor general, $204,817.

149. To authorize reimbursement to the lieutenant governors of the provinces of Canada of the costs of travelling and the hospitality incurred in the exercise of their duties up to a maximum per annum for each as follows:

(a) where the population of the province at the last decennial census did not exceed 500,000, $5,000;

(b) where the population of the province at the last decennial census exceeded 500,000, $5,000 plus $1,000 per each 100,000 or fraction of 100,000 of population over 500,000, but not exceeding $12,000 in any case, $86,000.

DEPARTMENT OF AGRICULTURE

Plants Products Division—

504. Contributions to the governments of the provinces of Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one half the amounts paid by the governments of those provinces in respect of the transport of fodder, straw and other livestock bedding and the movement of cattle to feed from the 12th day of October, 1959, to the 30th day of April, 1960, $261,500.

DEPARTMENT OF FINANCE

General items of payroll costs including superannuation payments—

498. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges—further amount required, $15,000,000.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

Contributions to international economic and special aid programs—

577. Purchase of flour to be given to the United Nations relief and works agency for Palestine refugees in the Near East as a contribution to world refugee year, $1,000,000.

END OF SESSION